

# Friends

APR 19 1986

of

# Financial History

Number 24, December 1984

For Those Interested in Financial History

Price: \$5



Bingham



## *In this Issue*

WILLIAM BINGHAM

SIMON LAKE

JOHN STEVENS

SAMUEL INSULL

WILLIAM C. DURANT

**BID**  
**by Mail**  
**AUCTION**

Page 33

Confederate States of America



Lot 63

# Friends of Financial History

"Do It Big, Sammy," Part I, by George H. (Haley) Garrison, Jr. . . . .	1
Auction XII Prices Realized. . . . .	8
The Stevens Family, by Richard Urmston . . . . .	11
Simon Lake and the Lake Submarine Salvage Corp., by Larry Weinbaum . . . . .	14
Ticker . . . . .	18
Certificate Classic: Philadelphia & Lancaster Turnpike, by W.S.Roberts . . . . .	19
Collector's Shopping Guide . . . . .	20
Financing the First Carlist War, by Bert Rietveld . . . . .	22
William C. Durant & the Development of G.M., Part III, by Ira Unschild . . . . .	27
Classified Advertising . . . . .	30
Mail Auction . . . . .	33



## EDITORIAL

Continued strength on the part of a small but constantly growing core of collectors and dealers is the clearest indication we have of the future of this hobby. Our trip to Frankfurt in September was again gratifying to see so many participants in the auction and bourse. Quality pieces there and here were in demand and brought good prices. But generally there are still a few more of these pieces being offered than there are buyers for them.

Viewed optimistically, this is a fine time to create small beginning collections by those few clients who have been simply observing for a while. Unlike earlier days when supply was more limited and prices were much higher, the new collector of substance can now buy material with a price record, often an auction record, which is more varied and which can reasonably be said will be in greater demand in the future.

Middle market material remains more of a problem, as all of us experiment with new marketing techniques and realize that it is more price sensitive than we had believed. Maybe special gift packages will be the answer.

At the Bond & Share Society Bob Kluge has declined to add to his two-year term as president, and Richard Urmston has been elected to this post. Congratulations, Bob, for your conscientious and dedicated efforts during an important market adjustment period, and to you, Richard, for the promise which any new position holds for you and your constituents. Change and new growth, as always, is the guiding force here.

All of us down here in the city wish you a very fine holiday season, and sincerely hope your time and efforts in this field will be satisfying and remunerative to you in the year ahead.

John and Diana Herzog



# DO IT BIG, *Sammy*

by  
George H. (Haley) Garrison, Jr.

## Part I

In early 1930 Andrew Mellon, then Secretary of the Treasury and the most famous member of the Pittsburgh banking fortune, quietly began to dispose of his large holdings in Sam Insull's mammoth Middle West Utility Company. Who was Sam Insull, and why was Mellon unloading his securities in this powerful Insull company?

A year earlier, in 1929, Sam Insull had become the most powerful man in Chicago. His system of public utility companies controlled several hundred electric, light and power plants serving 5,000 communities spread over a 32-state area from Maine to Texas and Oklahoma. Few men in the United States wielded a mightier influence than this man who was sitting on the U.S.'s power switch. Five more years passed and Sam had left town after his empire toppled in one of the most spectacular business failures in history. This is not just a story but a scenario of run-away finance. Could it happen again? Let's take a look at Sam Insull's roller coaster life and judge for ourselves.



*Samuel Insull (1859 - 1938). Public-utilities promoter.*

### A Seedy Prince Albert Coat

Sam Insull was born in London on November 11, 1859. Sam's father was a preacher and his mother ran The Insull Temperance Hotel. Together they scraped enough money together to send their son to a good private school, and he seems to have made good use of the time there.

At 14 he became a clerk in a firm of auctioneers. Once criticized for his "abominable handwriting," he put his heart and soul into his penmanship and



### CENTENNIAL DOCUMENTS

1-21 28th Street  
Fair Lawn, New Jersey 07410  
(201) 791-1683



*We issue general catalogs of American stock certificates and bonds, as well as specialized listings for all of the popular collecting categories.*

*Write or call for your free list(s), and send along your want list as well.*



it shows even today in his clear and sweeping longhand. Four years later Sam was fired to make room for the son of one of his firm's big clients. Downhearted, Sam went looking for work, not realizing that fate was about to deal him a big hand. His next job was with Colonel George Gourand, a banker and the European representative for Thomas Edison. Insull had read about Edison's inventive genius and was thrilled to be a part of something so important. His work reflected his enthusiasm, and he was soon recommended to become Edison's personal secretary. Sam arrived in the U.S. in February, 1881 and went directly to Edison's new offices at 65 Fifth Avenue in New York City.

The first meeting between Insull and Edison had all the makings of a disaster. Insull was dressed impeccably; the ill-shaven Edison looked like he had slept in his seedy Prince Albert coat and his hair was long and shaggy. Insull's manner was formal; Edison's casual. Neither could completely understand the other. Insull's Cockney accent was so thick that Edison could only make out a few words. Edison spoke in a Middle Western dialect that confounded

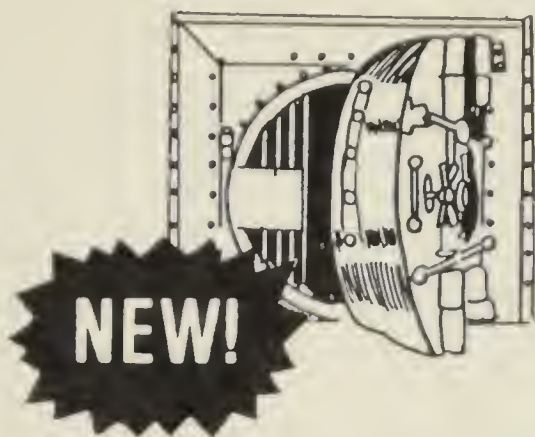
Insull. However, here was the man who had invented the stock ticker, the multiplex telegraph, the mimeograph machine, the phonograph, and the transmitter that made the telephone practical. Edison talked about the invention he was presently working on: electric lighting. Despite Edison's appearance, Insull understandably stood awed.

Edison laid his cards on the table. He had poured thousands into his experiments and his backers had refused him any more money. Edison was determined to sell his securities and borrow against his patent rights to raise additional funds to continue his experiments. Insull was fascinated and literally possessed with this challenge from his hero. Insull worked through that first night and as dawn broke through the windows, he had formulated a workable plan to get Edison the cash he needed. The great inventor was astounded and from that moment on Insull, now 21, became Edison's right hand man.

It was at this point that Edison asked Insull about a salary and his reply was whatever suited Edison. The \$100 a month Edison offered Insull was just half what he had been making up to that



# HOW ABOUT A PEEK INSIDE?



You'll have the combination to get on the inside when you order my newest catalog of rare and unusual antique stocks and bonds—ALL FOR SALE. In this history and humor packed trip through history each stock, bond, or document is described together with its story. Here's just a sampling of these mini-story headlines:

- \$12,000 a day in 1874!
- The man who knew how to get something for nothing.
- \$8,000,000 for a rug!
- Gullible's travels.
- The Gentle Doublecross.
- "No matter how thin you slice it, it's still baloney."
- Longevity formula.

and many, many more!

All this as well as quotes, anecdotes and pictures to amaze and surprise you.

## ORDER YOUR CATALOG TODAY!

as advertised in *Forbes*

Rush \$3.00

(refundable with order)

to

G.H. (Haley) Garrison, Jr.

MILLIONAIRES\$ FOR SALE Catalogue

Box JH

Williamsburg, VA 23187

Telephone: (804) 220-3838

### Client Comment—

"I just finished reading your catalog and was amazed at the amount of information you pack into a few pages. Now that's history. Your catalog is easy reading and is a lot of fun to flip through. Thanks."

B.K., New Jersey

"In the past you will find the future"

Napoleon

time. Many years later Insull commented, "If you pushed Edison in money matters, he was stingy as hell, but if you left the matter to him, he was generous as a prince." At the end of the first year Edison gave Insull as a bonus a block of stock worth \$15,000.

The Electric Chair

It wasn't long before Insull began to move out of Edison's shadow and show a financial flair that amazed some of the much older money men of his day. Because of this, Edison made Insull the general manager of most of the Edison companies. If there was an important talk, financial or organizational, Edison usually trusted Sam Insull with it. So it was in 1886, when George Westinghouse's competition forced Edison to expand his manufacturing capability. Edison selected a new site for a large plant in Schenectady, New York and sent Insull with the simple instructions, "Do it big, Sammy. Make it either a big success or a big failure." At this point in his career failure was unknown to Insull and he launched into this project with his usual enthusiasm, increasing the annual return on the total investment to more than 30%. Under Insull the number of employees went from 200 to 6,000 men, and the Schenectady Edison Machine Works stock went from \$25 to \$150 a share.

The competition, however, gave Edison no respite, and in what history would call "the battle of the currents,"

FOREIGN SECURITIES  
UNLIMITED

Largest dealer in bonds  
from all over the world.



Harry Lebensfeld

23-46 East 66th Street

Brooklyn, New York 11234

Telephone: (718) 241-2276

SPECIALIZING IN OLD STOCKS, BONDS  
AND PAPER AMERICANA

YESTERDAY'S PAPER, INC.  
PAPER ANTIQUES

BUYING AND SELLING ANYTHING  
OLD MADE OF PAPER

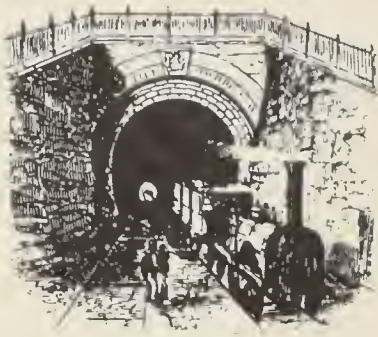
R. E. Haglund 312-355-4855  
8 AM - 10 PM CST

BOX 294  
Naperville, IL 60566





## BROOKLYN HISTORIC RAILWAY ASSN.



LONG ISLAND RAILROAD  
TUNNEL-1844

Remember the fascinating articles about the oldest railroad tunnel in the world? Built in 1844, it is in beautiful condition under Atlantic Avenue in Brooklyn.

Join the Brooklyn Historic Railway Association by sending only \$20 to:

Brooklyn Historic Railway Association  
599 East 7th Street  
Brooklyn, New York 11218

Robert Diamond, President

that the future lay with companies with strong centralized control (especially where he had the control). The Edison companies were a large string of decentralized operations divided into manufacturing and research companies. They were weak financially even with the money-juggling wizardry that Insull was constantly being called on to perform to keep operations going. The going was so bad at one point that Edison, in a fit of despair, said to Insull, "I don't know just how we're going to live. I think I could go back and earn my living as a telegraph operator. Do you think, Sammy, you could go back to earning your living as a stenographer?"

This situation was ready-made for Morgan's intensive care consolidation and reorganization strategy. Morgan already had a large vested interest in Edison through his stock investments. It was also quite obvious that no major financial move of this size could be conducted without Morgan's participation. However, both Insull and Edison were reluctant to call on the powerful banker. Therefore, Morgan's reticence to loan money to Edison was simply a hint and powerful nudge that the time had come to consolidate the Edison companies into one large operation. Morgan was just setting Edison up for a consolidation that he (Morgan) had already pre-planned.

While Morgan was nudging, Insull was spending half his time going from

bank to bank to borrow and quite often to beg money short term to shore up the Edison companies. This frantic and nerve-racking experience disgusted Insull. He never lost a deep-seated animosity for banks and bankers, especially those in New York and more specifically the Morgan Bank. Don't forget this, as it will play an important role in the second part of the series coming in the next *Friends of Financial History*. □

### SURPRISE

Just as owning historical stock certificates is exciting, talking to history-makers just enhances the overall fun. It was this author's pleasure to have located Sam Insull's financial secretary, who is still alive and quite candid about the personal and corporate side of the "Middle West Midas." I will include excerpts of my correspondence and telephone interviews with this fascinating gentleman in Part II of this article. The sums of money revealed are staggering! Don't miss this edition.

### NOTABLE QUOTABLES

*"Gentlemen prefer bonds."*

Andrew Mellon

*"It's not the money, it's the principle of the thing."*

Anonymous

*"It's the money."*

Jack Artenstein



THE STOCK & BOND  
COLLECTORS' PRICE GUIDE

over 1,200 different photos & prices



by Bill Yatchman

\$14.95

## Stock & Bond Price Guide

BILL YATCHMAN of GREENTREE STOCKS has just published THE STOCK & BOND COLLECTORS' PRICE GUIDE.

The book consists of over 1,200 PHOTOS, PRICES and DESCRIPTIONS broken down into four categories:

- (1) RAILROAD STOCKS & BONDS with section on the SUCCESSOR RAILROADS to those items listed.
- (2) AUTOMOBILE & RELATED with historical background of the industry.
- (3) MINING & OIL.
- (4) INDUSTRY & MISCELLANEOUS.

Preface includes TRENDS, FUTURE, GROWTH, TOPICS, and CARE with many other areas explored.

All photos are consecutively numbered on high quality, glossy stock in 8"x10" softbound edition.

COMPLETE      \$14.95

POSTPAID U.S. + CANADA

GREENTREE STOCKS  
5860 NEWBURGH RD.  
WESTLAND, MICH. 48185  
(313) 326-1873

## CLASSIC AND RARE CERTIFICATES STRONG AT SMYTHE AUCTION 12

The November 2, 1984 auction in New York had a full house of enthusiastic dealers and collectors bidding for the rarely seen and classic pieces. Standard Oil Co., signed by J.D. Rockefeller and H.M. Flagler was sold at \$2100 within the estimate range. The extremely rare Asylum Company, 1794, signed by Revolutionary War financier and land speculator, Robert Morris, was knocked down at \$2200. A State of Ohio Certificate of Indebtedness, signed by soon-to-be President William McKinley, was acquired for \$1100 after spirited bidding. An excellent example of a Confederate States of America "Second Series" bond brought \$400, well over the estimated \$150-250. A Spanish-American War Bond, payable in 1918, was won at \$325, exceeding catalogue estimate. The Great Atlantic & Pacific Tea Co. signed by co-founder George Huntington Hartford, did not let the \$60-\$90 estimate deter a buyer from

bidding \$250 for the prize. Desirable automobile certificates remained strong: Dusenbergh at \$280 (est. \$140-200), Stutz at \$280 (est. \$100-140), Hupp Motor Car at \$120 (est. \$75-100) and Marmon at \$220 (est. \$150-200). A handsome automobile lot (est. \$250-600) brought \$875. A pair of American Express certificates and a Missouri Kansas & Texas Railway Co., were disappointments, not meeting their reserves.

The sale was marked by inclusion of associated financial material such as autograph letters, prints and books which are proving to be of considerable interest to antique stock and bond certificate collectors. An innovation in the catalogue was a section of scholarly notes on early American loan certificates and a historical paper "Paris in the Wilderness" by John Catanzariti, Editor of the Robert Morris Papers. Warren Anderson also wrote about "The Douglas Family: A Career in Copper."

LOT	(\$)	LOT	(\$)	LOT	(\$)	LOT	(\$)	LOT	(\$)	LOT	(\$)
1 -	20	37 -	90	72 -	1500	107 -	60	142 -	250	177 -	200
2 -	40	38 -	90	73 -	80	108 -	90	143 -	90	178 -	10
3 -	40	39 -	150	74 -	25	109 -	26	144 -	180	179 -	105
4 -	100	40 -	120	75 -	40	110 -	70	145 -	90	180 -	21
5 -	25	41 -	170	76 -	45	111 -	95	146 -	185	181 -	20
6 -	120	42 -	40	77 -	90	112 -	200	147 -	70	182 -	21
7 -	15	43 -	35	78 -	40	113 -	160	148 -		183 -	21
8 -	20	44 -	40	79 -	75	114 -	250	149 -	200	184 -	
9 -	40	45 -	60	80 -	35	115 -		150 -	200	185 -	200
10 -	40	46 -	80	81 -	30	116 -		151 -	120	186 -	170
11 -	50	47 -	400	82 -		117 -	190	152 -	140	187 -	80
12 -	70	48 -	70	83 -	100	118 -	40	153 -	180	188 -	155
13 -	100	49 -	220	84 -	80	119 -		154 -	185	189 -	200
14 -	50	50 -	60	85 -	140	120 -	35	155 -	45	190 -	75
15 -	60	51 -	115	86 -	100	121 -	50	156 -	100	191 -	110
16 -	42	52 -	560	87 -	60	122 -	35	157 -	85	192 -	1300
17 -	90	53 -	120	88 -	30	123 -	85	158 -	90	193 -	500
18 -	30	54 -	100	89 -	68	124 -	70	159 -	70	194 -	141
19 -	41	55 -	60	90 -	875	125 -	280	160 -	150	195 -	110
20 -	800	56 -	160	91 -		126 -	280	161 -	110	196 -	340
21 -	11	57 -	90	92 -	30	127 -	176	162 -	420	197 -	110
22 -	225	58 -	86	93 -	75	128 -	130	163 -	300	198 -	100
23 -	200	59 -	20	94 -		129 -	180	164 -	35	199 -	100
24 -	10	60 -	100	95 -	20	130 -	220	165 -	75	200 -	190
25 -	130	61 -	95	96 -	70	131 -	70	166 -	40	201 -	
26 -	60	62 -	120	97 -	40	132 -	120	167 -	110	202 -	200
27 -	20	63 -	20	98 -	260	133 -	875	168 -	45	203 -	60
28 -	20	64 -	35	99 -		134 -	160	169 -	85	204 -	
29 -	30	65 -	30	100 -	90	135 -	1800	170 -	140	205 -	20
30 -	140	66 -	40	101 -	260	136 -	2200	171 -	50	206 -	220
31 -	80	67 -	24	102 -	15	137 -	100	172 -	35	207 -	20
32 -	50	68 -	100	103 -	30	138 -		173 -	90	208 -	1100
33 -	50	69 -	40	104 -	50	139 -	90	174 -	200	209 -	2100
34 -	65	70 -	95	105 -	40	140 -	240	175 -	2100	210 -	500
35 -	50	71 -	325	106 -		141 -	45	176 -	140	211 -	
36 -	50										
REALIZED PRICES TOTAL						\$34663.00					



**R.M. Smythe & Co.**

**AUCTION 13**

**FRIDAY**

**MARCH 1, 1985**

**Consignments Accepted Now**

**RAILS & TRAMS**

**A Leading Collector**

**is**

**Friedrich Huette**



**Am Gentenberg 115 — 4000 Duesseldorf 31 West Germany**  
**Telefon 0211-400383**

# STOCKS & BONDS

	Buying	Selling
Standard Oil Co. Signed by John D. Rockefeller. . . . .	\$2,100.00	\$2,900.00
American Express Co. with train vignette. Signed by Henry Wells and William Fargo . . . . .	\$800.00	\$1,200.00
Pennsylvania Oil Stocks—1860s . . . . .	\$50-\$100	\$100-\$175
Western Mining Stocks— 1860s - 1890s . . . . .	\$15-\$75	\$30-\$150
Pierce-Arrow Motor Car Co. . . . .	\$200.00	Wanted
Packard Motor Car Co. . . . .	\$200.00	Wanted

*Prices stated are for issued pieces in excellent condition.*

**PRICE GUIDE** "Collecting Stocks and Bonds" by George H. LaBarre. 368 pages, 1,158 illustrations with descriptions and values of American stocks and bonds. Includes railroads, mining, automotive, banking, western, southern, 1770's to present. Complete 3 volume set \$14.85 postpaid. Dealers inquiries invited.

**WE ARE VERY ANXIOUS TO BUY FINE  
QUALITY AMERICAN STOCKS AND BONDS.**

*Note: The LaBarre Newsletter is sent out Quarterly  
Free of Charge.*

*Price Lists are also issued Monthly.*



GEORGE H.  
**LA BARRE**  
**GALLERIES**  
INC.

P.O. Box 746 Hollis, New Hampshire 03049

**CALL  
ANYTIME  
TOLL  
FREE**

**800-842-7000** OR  
CALL **603-882-2411**



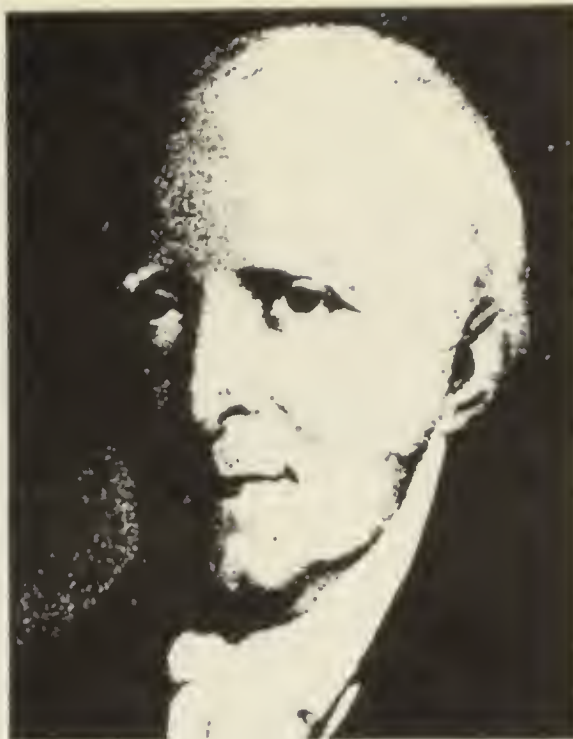
# The Stevens Family

## First Family of American Transportation

by Richard Urmston  
Centennial Documents

*Part one of a two-part essay.*

Asked to name the most influential family in American transportation history, most scripophilists would probably choose the Vanderbilt clan without much hesitation. After all, from the days of the Commodore's first ferryboat ventures before the War of 1812 until his grandson, William K., relinquished direct control of the New York Central Railroad system in 1903, the Vanderbilts played a central role in the development of the nation's rail and shipping network. In spite of this admirable record, however, it may well be argued that the title "First Family of American Transportation" should in fact be awarded to the relatively unknown Stevens family of Hoboken, New Jersey.



*John Stevens (1749-1838). Pioneer in steam transportation; engineer, inventor. From a painting by John Trumbull.*

Consider the fact, for example, that Colonel John Stevens, together with his son Robert, designed and built their steamboat *Phoenix* almost simultaneously with Robert Fulton's *Clermont* in 1807; that it was John Stevens who pleaded with the New Jersey Assembly in 1811 to grant him a charter for a steam railway to run from New York

**DAVID M. BEACH**  
**Box 5484**  
**Bossier City, Louisiana 71111**  
**(318) 747-0929**

**Highest Prices Paid  
For Quality Material**

☐ **WANTED** ☐

**BUY 1 — 10,000**

Stocks, bonds with nice vignettes (pre-1900). Especially want pre-1860 mines, railroads, telegraphs, canals, etc. Also badly want all Old Railroad Bonds, stock with revenue stamps and especially imprinted revenue stamps.

**I WILL TRADE!**

Periodic Mail Bid auction catalogs available.

Send \$2.00 in U.S. or \$4.00 from outside U.S. & Canada.

City to Philadelphia; who was awarded the nation's first railway charter in 1815; and who demonstrated the feasibility of his ideas by operating the first American-built steam locomotive on his estate in 1825, two years before the Baltimore & Ohio Rail Road Company even received its charter. Consider, too, that his sons Robert and Edwin organized, built and operated the Camden & Amboy Rail Road beginning in 1830, and in the process designed the T-rail and the hook-headed railroad spike still in use today.

### **The Early Years: Steam on the Waters**

John Stevens (1749-1838) was the patriarch of this remarkable family. Following service in the Revolutionary War,

he began his career as the surveyor-general of the eastern division of New Jersey in 1782-83. The knowledge he thus acquired of the geography and topography of the state would prove very useful to him 30 years later when he made what was undoubtedly the first railway survey in North America. His interest in steam-powered transportation was first piqued around 1788, and he soon set to work designing improved steam boilers and engines. In 1797, hoping to build a reliable full-scale steamboat, he entered into a partnership with the well-known diplomat and statesman Robert R. Livingston and another New Jersey engineer, Nicholas I. Roosevelt. The result of their experiments was the *Polacca*, which attained a speed of three miles per hour in trial runs on the Passaic River the next year.

## *Herzog Hollender Phillips & Company*

offers a friendly and personal service to all collectors,  
whatever their particular interest.

Advice on investment or decoration freely given  
We provide a complete framing service for homes or offices.

Write or telephone for our fully illustrated  
comprehensive literature which includes the

### **Old Bond Times**

the first newspaper of scripophily.

9 Old Bond Street  
London W1X3TA England  
Telephone: 01-493 3355 (24 hours) or 01-493 7681/2  
London—Bahrain—Switzerland





*Contemporary painting shows the Stevens locomotive of 1825 chugging around circular track on "The Green" at Castle Point, now the site of Hoboken's City Hall. Photograph from Rail-roading in New Jersey," by John T. Cunningham.*

By 1804 Stevens' twin-screw steam-boat *Little Juliana* was traveling back and forth across the Hudson, encouraging him to aim at providing regular ferry service between Hoboken and New York and between Manhattan and Albany. With this in mind, he began designing and constructing the paddlewheel steamer *Phoenix*, with considerable aid from his son Robert (1787-1856), who was soon to distinguish himself as the mechanical and engineering genius of the Stevens family. Work was almost completed by the late summer of 1807 when Robert Fulton (with crucial financial backing from Robert Livingston and with a Boulton & Watt steam engine imported from England) made his historic journey from New York to Albany and back in mid-August.

This feat did more than simply deny Stevens a place in the history books; of more immediate consequence was the fact that Fulton and Livingston were granted a monopoly on the waters of

New York State, thus cutting Stevens out of the lucrative Hudson River freight and passenger transportation business. Finding himself with one of the first fully operational steamboats in the world, while at the same time effectively landlocked by legislative decree, Stevens soon hit upon the idea of exploiting the Delaware River crossing between Trenton and Philadelphia; in June, 1808 Robert Stevens (who, though only in his early 20s, was already beginning to gain wider recognition in the field of naval architecture) piloted the *Phoenix* on the world's first ocean voyage by a steam-powered vessel. The interstate link thus established was to become a significant component of a New Jersey transportation system managed with great success by the Stevens family for the next 60 years.

*In the next issue of Friends of Financial History: Part Two: The Hoboken Rail Road of 1815. □*



# Simon Lake

## and the LAKE SUBMARINE SALVAGE CORPORATION

by  
Larry Weinbaum  
R.M. Smythe & Co.

Stories of salvaging sunken treasures have long intrigued people, but only the most adventurous individuals have actually set their sights on capitalizing on the riches of Davey Jones' Locker. The salvage operations recently conducted to raise the safe held in the eerie hull of the *Andria Doria*, the Italian luxury liner which went to its watery grave in 1956, captured the imagination of the public. With that in mind, we bring you the story of Simon Lake and his Lake Submarine Salvage Corporation.

Simon Lake was an ambitious mechanical engineer and naval architect, but—like so many men of science and

technology—ahead of his time, a dreamer, and a poor businessman. He was born in Pleasantville, New Jersey in 1886 and had little formal education aside from a course in mechanical drawing at the Franklin Institute in Philadelphia, and a brief stint at the Clinton Liberal Institute in Fort Plain, New York to which his father sent him to learn business.

After establishing himself as a successful manufacturer of marine winding gears and steering devices, he set about to build a submarine—his chief ambition since the age of ten when he voraciously devoured Jules Verne's epic, *Twenty Thousand Leagues Under the Sea*. In 1897 his theories were put into practice when his submarine, *The Argonaut*, became the first under-sea vessel to operate successfully in open seas—an event that prompted dreamer Jules Verne to cable his congratulations.

In the early part of the century, after the U.S. Navy rejected his submarines in favor of those designed by his competitor John P. Holland, Lake sold the sub-





marine to Czarist Russia, which was then engaged in war with Japan. Lake then began to concentrate his efforts on cultivating the European market, opening offices in St. Petersburg, London, Berlin and Vienna. Lake was delighted when the Krupp Works offered him 400,000 DM per year and a percentage of the profits for the right to build and market his submarines. However, when the crafty Krupp officers discovered Lake's failure to file a German patent, they pirated the plans and Lake received nothing for his troubles.

With the aid of this naval technology, Germany ultimately came close to strangling Britain through its campaign of unrestricted naval warfare in World War I, but it also wound up bringing the U.S. into the conflict. As for Lake, this was only the first of many business setbacks that he was to experience. Its immediate effect on Lake was a nervous breakdown.

Lake managed to secure U.S. Government contracts for his submarines in 1911, but the disarmament following the end of WW I left him on the brink of ruin and most of his enterprises folded.



*Simon Lake (1866 - 1945). Marine inventor, built first submarine to operate successfully in open sea.*

In 1930 he attempted a comeback, forming the Lake Submarine Salvage Corporation to utilize an apparatus he invented to locate and recover sunken vessels and their cargo. Lake toured the country promoting his enterprise in

Leslie Tripp is pleased to inform all readers that

*Scripophily International Promotions*

is now open for business in its new location at:

Suite 608, Linen Hall 156-170 Regent Street  
London W1R 5TV  
Telephone: 01-437 4588

Callers welcome during normal office hours, Monday-Friday

Please write or telephone for our new illustrated catalogue

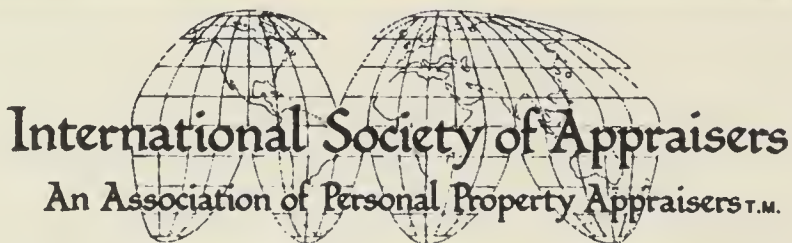
numerous speaking engagements. He promised potential investors great rewards through salvaging sunken barge-loads of coal, flour and other valuable commodities from the bottom of Long Island Sound. But these efforts also ended in failure. In 1937 his home in Milford, Connecticut was foreclosed. In March, 1940 his Nevada charter for the Lake Submarine Salvage Corporation was forfeited because of failure to file a list of officers and to pay fees and penalties amounting to the paltry sum of \$22.50. Earlier, in 1938, the corporation's Connecticut charter was legislated out of existence for failure to file annual reports. In 1941 the Milford (Connecticut) Trust Company responded to inquiries about the status of the company by advising:

*To the best of our knowledge, there is NO value to the stock. The company has had quite a history, and part of their equipment is rotting here in Milford harbor. Mr. Simon Lake resides here in Milford, Connecticut, and mail should reach him.*

Concerned investors who attempted to contact Simon Lake received no reply and were forced to write off their investment.

By this time, the U.S. had entered World War II. Patriotic Lake shelved his dreams of undersea treasures, going to Washington to try to interest Congress in his plans for huge cargo-carrying submarines. But the government wasn't interested in his schemes, and the submarines remained on the blackboard of the ageing inventor.

He died in 1945 at the age of 78 and was laid to rest in the King's Highway Cemetery in Milford. Lake left behind many disappointed and destitute investors and an ungrateful government which failed to realize the potential of the ambitious, futuristic plans of this great inventor. Lake's incompetence as a businessman undercut his technical genius. His inventions laid the groundwork for much of the submarine technology so important today. His autograph is also prized and comparatively rare. □



COLLECTORS • INVESTORS • DONORS • INSURERS • ESTATE PLANNERS and MANAGERS all have one thing in common: **the need for professional appraisals.** ISA provides a network of over 1400 pre-screened professionals, each with a minimum of 5 years' experience in their respective areas of expertise. ISA recognizes over 80 areas of expertise among some of the country's leading authorities.

For more information, contact:

Maurice E. Fry, President  
P.O. Box 726  
Hoffman Estates, IL 60195  
(312) 885-2480 or 882-0706

Diana V. Hickman, Vice President  
301 East 87th Street - Suite 12-D  
New York, NY 10028  
(212) 289-3900



# Paper Money Collectors

## Here's How To Satisfy Your Greatest Hobby Need

Are you unhappy with the number of paper money articles in coin-related newspapers and magazines?

If you are, chances are you're not getting all the paper money information you need.

Good news. Your subscription to Bank Note Reporter will give you a monthly newspaper devoted exclusively to paper money, both U.S. and foreign.

Bank Note Reporter will give you reports on auctions, new issues, upcoming shows, new publications, discoveries and new organizations.

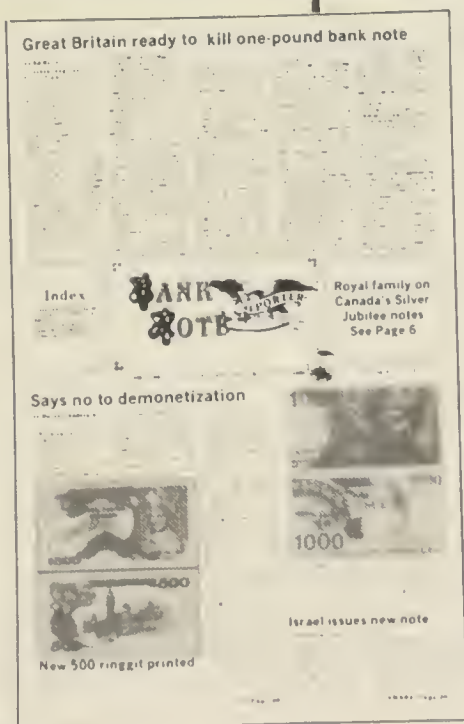
The historical features in Bank Note Reporter will take you back into history. You'll read about military currency, bonds, stock certificates, Confederate currency, world paper, state banknotes and U.S. large and small size notes.

Plus you'll have plenty of photos, trustworthy advertising and a complete U.S. value guide. It can all be at your fingertips each month, when you subscribe to Bank Note Reporter. Be part of the excitement!

Satisfy your need for paper money information with a subscription to Bank Note Reporter.

### Your Guarantee

If for any reason you decide to cancel your subscription, simply drop us a note before you receive your second issue and we'll refund your entire payment. After the second issue we'll refund on all undelivered issues.



Collectors saw it first, right here!

**Who broke the news about upcoming  
changes in U.S. currency?  
Bank Note Reporter!**

It's true. With the aggressive reporting of our full-time Washington Bureau, BNR was the first to present facts concerning the revamping of our notes. We scooped everyone, including other hobby publications, daily newspapers, and electronic media.

When you join Bank Note Reporter you'll be part of a select group looking to every issue for fresh news.

Make certain you have Bank Note Reporter for all the vital data affecting your hobby. Sign up now!

**Send your subscription request along  
with \$11 for one year (12 issues) to:  
Bank Note Reporter, 700 E. State St.,  
Iola, WI 54990.**



#### News from Paris:

"Association Francaise des Collectionneurs de Titres Anciens," the French equivalent of the Bond and Share Society, has found the key to healthy attendance at their monthly meetings. Members are encouraged to bring their spouses and friends who then enjoy a post-auction feast of superb French cuisine enhanced by a good wine and other uplifting spirits. Membership is growing steadily and has doubled in less than two years. The Club publishes a news bulletin and every two years publishes an attractive "Membership Share Certificate." Club headquarters are at 25 rue Sarette 75014, Paris, France.

#### Freunde Historische Wertpapiere—Frankfurt:

The Frankfurt Stock Exchange was the scene of the 15th international meeting and auction of scripophily organized by Freunde. About 200 people attended the auction on Saturday, September 22. On the whole, prices were sufficiently strong to make the mood for dinner most pleasant. On Sunday about 50 dealers held a bourse which was well attended, and trading was brisk. Richard Urmston and the Herzogs represented the American scripophily sector.

#### A Piece of the Rock:

Collectors interested in financial history, particularly the Standard Oil Co., will be fascinated by the new book, *Ida Tarbell, Portrait of a Muckraker*, by Kathleen Brady. Tarbell was the pioneer investigative journalist who wrote about John D. Rockefeller's monopolistic practices in assembling Standard Oil. She embarked on a trust-breaking crusade, forcing reforms which are still in effect today. *McClure's* magazine published Tarbell's series starting in 1904 which led to a reprint in two volumes entitled *History of the Standard Oil Company*. Tarbell was a fascinating woman, accomplished but unfulfilled in many ways. Ironically, while she proved women's capabilities and power in the business world, she declined to accept opportunities to become the first woman on a federal commission dealing with protective tariffs, and later the honor of being the first woman representative in a diplomatic delegation.

#### Sotheby Strikes Gould:

If the spirit of Jay Gould lives, he will be smiling down on Sotheby's in April. The railroad magnate's daughter-in-law, Florence, used a big chunk of the Gould fortune to collect some 200 artistic works of such immortals as Van Gogh, Gauguin, Degas, Cezanne and Monet. Florence Gould, widow of Jay's youngest child, Frank Jay Gould, lived to a bountiful 87 years of age before departing this earth last year directly from her home in Cannes. The Impressionist and Post-Impressionist pieces will be auctioned at the sale which is being touted as the greatest ever of its type.

The Gould collection is expected to fetch over \$25 million, dwarfing the \$8.1 million her jewelry brought in April and the \$6.5 million plus her antiques and books brought in June. □



# Certificate Classic



*Philadelphia*

*March 16. 1795*

**BE IT HEREBY CERTIFIED**, by the President, Managers and Company of the **Philadelphia and Lancaster Turnpike Road**, that the

*\$5000*

*President and Directors of the Bank of North America* are entitled to one share of stock in the said Company, numbered two hundred and fifty eight, transferable in the Presence of the President or Treasurer by the said President, Directors or the

or the Attorney legally to an Act of the General Assembly of the Commonwealth of Pennsylvania, passed the Tenth Day of March, in the Year of our Lord One thousand, seven Hundred and Ninety two, and the Charter of said Company, sealed with the common seal of the said Company,

*Treasurer* *Wm Bingham President*

Company of the Philadelphia and Lancaster Turnpike Road is a classic document of financial history, recognized as the first American stock certificate embellished with a vignette. The sixty-two mile turnpike connected Philadelphia, the nation's capital and celebrated industrial/financial center, with the rich farm land to the West. Before independence was declared, Lancaster was the largest inland city in North America, and after the war it was seriously considered as the seat for the new nation's federal government. Built between 1793 and 1795, the road cost \$465,000—a significant sum at the time. Coarse gravel 1½ feet deep covered the first two miles; the remainder of the 24-foot wide pike was surfaced with broken or ground stone after the fashion of John Macadam whose name became generic in road building. The route was wisely chosen, since traffic speeds on the same path today nearly 200 years later.

The original Philadelphia and Lancaster Turnpike Road certificates were signed by William Bingham as President, and Tench Francis, Treasurer. Bingham was a powerful force in American finance with heavy real estate interests totalling millions of acres of timberland. Being president of the earliest, and for years the best, turnpike in the United States was in the best entrepreneurial character of Bingham who was a founder of the Bank of North America, owner of considerable oil properties in Pennsylvania, and founder of Binghamton, New York. Bingham's wife, nee Anne Willing, was the most brilliant social beauty of her day. The Bingham daughters carried on the tradition of wealth and social prominence by importing Alexander Baring, Baron Ashburton and Henry Baring of British banking fame as husbands.

Lesser-known Israel Whelen succeeded Bingham as president of the turnpike, providing collectors with an opportunity to acquire a classic certificate at reasonable cost. ☐



# SHOPPING GUIDE

		shop to visit	mail orders	auctions	mail bids	catalogue available	ship on approval	money back guarantee	credit cards accepted	certificates
UNITED STATES	<b>American Vignettes</b> P.O.Box 155H, Roselle Park, NJ 07204 Tel.: (201) 241-4209		●		●	●		●	●	●
	<b>Applegate &amp; Applegate</b> Box 477-F Exton, PA 19341 Tel.: (717) 964-2350 Howard & Shelby Applegate		●			●		●		●
	<b>Bickerstaff's</b> 6020 N. 16th St., Arlington, VA 22205 Tel.: (703) 534-5077		●			●		●		●
	<b>Buttonwood Galleries</b> P.O. Box 1006 Throggs Neck Sta., NY, NY 10465 Tel.: (212) 823-1523		●			●		●		●
	<b>Centennial Documents</b> 1-21 28th St., Fairlawn NJ 07410 Tel.: (201) 791-1683 Richard Urmston		●			●	●	●		●
	<b>George Haley Garrison</b> Drawer JH, Williamsburg, VA 23183 Tel.: (804) 220-3838		●			●		●		●
	<b>George H. LaBarre Galleries, Inc.</b> P.O. Box 746, Hollis, NH 03049 Tel.: (603) 882-2411 (800) 842-7000	●	●		●	●	●	●		●
	<b>Carl Marks &amp; Co., Inc.</b> 77 Water Street, NY, NY 10005 Tel.: (212) 437-7022 Daniel Collier		●					●		●
	<b>Ken Prag</b> P.O. Box 531 SN, Burlingame, CA 94011 Tel.: (415) 566-6400	●	●			●		●		●
	<b>Rails Remembered</b> P.O. Box 464, Rosemead, CA 91770 Tel.: (818) 572-0419 (eves)		●			●		●		●
	<b>The Rendells, Inc.</b> 154 Wells Ave., Newton, MA 02159 Tel.: (617) 965-4670		●			●		●		●
	<b>R.M. Smythe &amp; Co., Inc.</b> 24 Broadway, NY, NY 10004 Tel.: (212) 943-1880	●	●	●	●	●	●	●	●	●
	<b>Yesterday's Paper, Inc.</b> Box 2941, Naperville, IL 60540 Tel.: (312) 355-4855		●			●		●		●
GERMANY	<b>Aktien-Galerie</b> Frieden Str. 11, 3000 Hannover 1 Tel.: (0511) 281284 F. Kuhlmann	●	●			●		●	●	●
	<b>Hans-Joachim Weber</b> Hohenzollernstr. 23-25, Postfach 8634 D-4000 Dusseldorf 1 Tel.: (0211) 357581		●			●		●		●
	<b>Historisches Portfolio</b> Kaiserstr. 24, D-6000 Frankfurt M. Tel.: (069) 2161-348	●	●			●	●	●		●
	<b>R. Tschope</b> Bruchweg 8, D-4044 Kaarst 2 Tel.: (02101) 602756		●	●	●	●		●		●
	<b>Ruediger Weng</b> Breiten Dyk 38B, D-4150 Krefeld Tel.: 49 2151-23653		●					●		●
GREAT BRITAIN	<b>Herzog, Hollender, Phillips &amp; Co.</b> 9 Old Bond Street, London W1X 3TA Tel.: (01) 493-3355/7681	●	●			●	●	●		●
	<b>Phillips</b> 7 Blenheim St., New Bond St., London W1Y 0AS Tel.: (01) 629-6602			●	●			●		●
	<b>Scripophily Int'l Promotions</b> Suite 608 Linen Hall, 156/170 Regent St., London W1 Les Tripp Tel.: 01-437 4588	●	●			●	●	●		●
	<b>R.M. Smythe &amp; Co., Ltd.</b> 56 The Avenue, Tadworth, KT20 5DE, Surrey Tel.: (073-781) 3262 Brian Mills		●	●	●	●	●	●		●
	<b>M. Veissid &amp; Co.</b> 87 Park Ave., Ruislip, Middlesex HA4 7UL Tel.: 44-89-563-2096 Mike Veissid		●	●	●	●	●	●		●
	<b>W.H. Collectables, Ltd.</b> 500 Chesham House, 150 Regent St., London W1R 5FA Tel.: (01) 439-6288	●	●			●		●	●	●
OTHER	<b>Coup de Foudre, Village Suisse</b> 54 Ave. de la Motte-Picquet, 75015 Paris, France Tel.: 566 09 22 F. Bernheim		●	●			●	●		●
	<b>Numistoria</b> 49 rue Vivienne, 75002 Paris, France Tel.: 233 93 45	●	●	●	●	●		●		●
	<b>Portafoglio Storico</b> Via Malvasia n. 1, 40131 Bologna, Italy Tel.: 051-520992 Alex Witula		●			●		●		●
	<b>Eerste Nederlandsche Oude Effecten Antiq't</b> Keizersgracht 727 1017 DX Amsterdam, Holland Tel.: 02-241129		●			●		●		●
	<b>Effecten Compagnie Ghidelli</b> Postfach 1358, CH-3001 Bern, Switzerland Tel.: (0041)(0) 31 31 06 16 Enrico Ghidelli		●			●		●		●
	<b>Galerie Sevogel</b> Sevogelstr. 76, CH-4052, Basel, Switzerland Tel.: (061) 42 26 59 Hans-Pieter Althisser		●			●		●		●



checks	autographs	historical documents	old books	literature	collector accessories	American Canadian	Confederate States	U.K. Australia	Continental Europe	Russian	Chinese Japanese	S. Africa colonial	Mexico S. America	SPECIAL COMMENTS
		●				●								Quality items bought & sold
	●	●	●			●								
●	●	●				●	●							Catalogue \$1 each
	●	●												Free price list
	●	●				●								
	●	●		●		●	●							
	●	●				●								We want to buy.
						●			●	●	●	●	●	
		●				●								Buying, especially western United States
			●			●								Railroads, mining
●	●	●	●			●								
●	●	●	●	●	●	●	●	●	●	●	●	●	●	Rare & unusual certificates, autographs; ask for Diana Herzog.
●	●	●	●	●		●	●							Catalogue \$3 each.
●	●	●		●	●	●	●	●	●	●	●	●	●	
				●	●	●			●	●				
		●	●	●	●	●	●	●	●	●	●	●	●	Affiliate of a private German bank.
		●		●		●			●	●				
	●	●				●			●	●				
		●		●	●	●			●	●	●			Personal investment advice.
●	●	●	●	●		●	●	●	●	●	●	●	●	4 to 5 auctions per year.
		●	●	●	●	●	●	●	●	●	●	●	●	
●	●	●	●	●	●	●	●	●	●	●	●	●	●	
●	●	●	●	●	●	●	●	●	●	●	●	●	●	
●	●	●	●	●	●	●	●	●	●	●	●	●	●	
	●	●	●	●	●	●	●	●	●	●	●	●	●	
	●	●	●	●	●	●		●	●	●	●	●	●	Buying French, only pre-1910.
	●	●		●		●			●	●	●			
	●	●	●	●		●			●	●	●			
	●	●		●		●			●	●	●			
	●	●		●		●			●	●	●			

## FINANCING THE FIRST CARLIST WAR:

*Cinco Por Ciento Espanol*

by

**Bert Rietveld**

**The First Dutch Old Stocks Antiquary**

Spain at the beginning of the 19th century was caught between rival imperial designs, both on the continent and in the foreign colonial areas, of England and France. King Fernando VII, eldest son of Bourbon Charles IV, had succeeded to the Spanish throne in 1808 at the age of 24 following the forced abdication of his father. Taken prisoner (along with his brother, Don Carlos) by Napoleon soon thereafter, he was released in 1814 to return to a Spain buffeted by the new political ideas and currents flowing throughout Europe from the French Revolution.

A new constitution had been instituted by the Spanish cortes under the influence of liberal reformists which re-established the old Spanish parliaments on a more democratic and national basis. The third estate (the rising bourgeoisie) was now represented in large enough numbers to seriously threaten the dominance of the church and aristocracy; and the Inquisition was

suppressed, along with various rights and privileges of the upper classes.

Fernando VII had sworn to uphold the new constitution as a condition of his repatriation, but upon his return he rejected it and, supported not only by the army and the church but by the masses, turned on the liberals in a bloody act of suppression. As civil war threatened throughout the country, France received permission in 1823 from the Grand Alliance to march in and restore order, or in Great Britain's view, assure the Bourbon dynasty. Taken to Cadiz by the cortes which was fleeing before the advancing French forces, Fernando VII turned on the surrendered liberal forces and again took his revenge on them while dismayed French forces looked on. This ended active warfare between the opposing forces within the country until 1833 with the outbreak of the First Carlist War—the War of the Spanish Succession.

### Crisis of Succession

The crisis of succession to the throne became unavoidable because of the King's failure to produce a male heir from any of his four marriages. In 1830, upon the urging of his fourth wife, Maria Cristina of Naples, Fernando VII by royal decree restored the ancient law of Castile and Leon which allowed

# Zeitung für Historische Wertpapiere

The Original Magazine in German for Certificate Collectors.

Edited by Ulrich Drumm and Alfons W. Henseler

Goethestrasse 23  
6000 Frankfurt 1  
West Germany

Subscription DM 40  
In US \$25.00



# Cinco Por Ciento Español

RENTAS PERPETUAS,

PAGADERAS

EN MADRID,

ó, á eleccion del Portador,

EN AMSTERDAM, LONDRES, PARIS, BRUSELAS Ó TURIN.

PRIMERA SERIE.

Nº. 2456



CAPITAL	{	\$ 940	RENTA ANUAL	{	\$ 47 en Madrid
		Sea Flor. 2,400			Sea Flor. 120 en Amst. <sup>me</sup>
		Sea £ 200			Sea £ 10 en Londres
		Sea F. <sup>cos</sup> 5,076			Sea F. <sup>cos</sup> 253,80 en Paris

**El presente Certificado,** despues que hayan sido realizados los seis pagos que se especifican á continuacion, que han sido estipulados por el Real Decreto dado este dia en Oñate por S. M. C. el Señor DON CARLOS V. representará una Renta anual y perpetua de **QUARENTA Y SIETE PESOS FUERTES** de veinte Reales de Vellon cada uno, pagadera en la Tesoreria Real de Madrid, en especies de Oro ó de Plata, y se recibirá de la Incripcion Colectiva, que se establecerá, con preferencia á todas las demas obligaciones en el Gran Libro de la Deuda Publica de España, en virtud del mencionado Decreto de este dia.

Esta renta anual y perpetua principiará á correr desde primero de Julio de 1836, y despues de la entrada de S. M. C. el Señor DON CARLOS V. en Madrid, ó del reconocimiento de Su Autoridad Real en la Capital, será pagadera por semestres en Madrid, ó á eleccion del Portador, en Amsterdam, Londres, Paris, Bruselas ó Turin, á los cambios fixados y en las casas indicadas al pie del presente Certificado, en virtud de la entrega de los adjuntos cupones.

Oñate, 6 de Febrero de 1836.

El Consejero de Estado, Comisario Regio de S. M. Catolica :

El Contratante :

*J. P. Quorand*

Tomé razon :

*Diego de Aranda*

Nº. La Obligacion General y todos los documentos se facientes estan depositados en casa de los Sñrs. NIND y COTTERILL, en Londres.

women to sit on the Spanish throne. This was to allow his infant daughter Isabella to succeed him. Upon his death three years later, Isabella II was proclaimed Queen, with her mother named as regent.

Don Carlos, second surviving son of Charles IV and next in succession to his brother's throne under the previous law, was an ardent believer in the divine right of kings and in religious orthodoxy. His brother's decision to alter the laws of succession in his daughter's favor was vigorously opposed by the Spanish clericals, and Don Carlos found himself drafted to head the Clerical Party against this change. Finding himself in Portugal at the moment of his brother's death in 1833, he was cut off from Spain as the civil war erupted and was powerless to affect events. Those who rose to defend his right of succession, proclaiming him King Charles V, rallied around the revealing cry, "Monarchy and Inquisition."

This first Carlist War took place from 1834 until 1840 when Don Carlos, in exile in France, was forced to admit defeat; he renounced his claim to the throne in 1845. But Don Carlos had three sons whose claims to the throne were to be a rallying point for rightist sympathizers over the years, eventually leading to the Second Carlist War which

took place from 1873 to 1875.

### Financing the War

At the beginning of the 1843-40 war, the forces supporting Don Carlos both inside and outside Spain were sizeable, and his possibilities for success were viewed favorably from several European capitals. Since Queen Isabella II had the army and the machinery of state at her disposal, Don Carlos had to look elsewhere for the financial assistance he required. He found the needed support within the circles of European high financiers who judged that the fighting was going in his favor and granted him large loans.

In France Don Carlos had a very influential sympathizer, the famous French financier Monsieur G. Ouvrard who was very successful during Emperor Napoleon's reign— that is, until his fraudulent speculations drove him into disgrace and prison. Released some time later through the intervention of Napoleon's famous Minister Fouché, Monsieur Ouvrard began to rebuilt his financial empire after the fall of Napoleon and the restoration of the Bourbon throne. But now Monsieur Ouvrard viewed his empire as extending to Spain.

Thus, when potential Carlist King Charles V (Don Carlos) turned to Bour-

---

## → NUMISTORIA ←

49, RUE VIVIENNE - 75002 PARIS

France

Tel.: 233.93.45

Metro : Bourse

100 meters from the Paris Stock—Exchange.  
Specialist of Bonds and Shares Certificates  
from France or other countries.

Visit us in Paris—we speak English



## LOST OR STOLEN IN LONDON

Lots originally purchased at Smythe Auction 9, October, 1983

- Lot 6. EDISON STORAGE BATTERY CO. (NY)—1904. 5 shares, gr, ABN, Litho., LP. Goddess harnesses electricity over outline of North America. Signed by Thomas A. Edison, three punch holes affect signature. VF. Cert. No. 54
- Lot 109. CINCINNATI RAILWAY TUNNEL CO. (OH)—1872. ABN, 100 shares. A handsome piece issued to Fremont & Morton, and signed by John C. Fremont on verso. Highly desirable. A print of Fremont in military dress. Letter from Mrs. Fremont which begins "Dear Mother-in-law." (3) EF. Cert. No. 105

**DEALERS ARE HEREBY ALERTED**  
and those having information are requested to contact

**R.M. Smythe & Co.**  
Attention: Diana E. Herzog

bon France for funds to unseat Isabella II, M. Ouvrard, along with other European financiers, was happy to oblige.

In 1836 the Spanish Five Percent, Perpetual Annuities, loan was issued simultaneously in London, Paris and Amsterdam. The funds were issued by the famous Amsterdam Jewish bankers/financiers S. and D. Saportas who were responsible for paying the 5% interest. The bonds, which were also undersigned by Monsieur Ouvrard, were issued in the amounts of US\$940, D FL 2,400, £200 and FF5,076.

However, it is a long lane that has no turning, and Don Carlos's forces were now on the defensive in the war. By early 1840 he was forced to flee to France, and the war was lost. Isabella II, aged 13 in 1843, was judged old

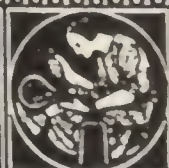
enough to reign in her own name and was proclaimed Queen of Spain.

The news of Don Carlos's defeat sent shock waves throughout European financial centers, particularly since the government of Isabella II had obviously not approved the loans to Don Carlos. Soon afterwards the Spanish Five Percent Bond was declared to be of No Value.

However, a few of these bond certificates have surfaced within collecting circles. The wonderfully decorative certificates bearing the signature of Monsieur Ouvrard, once one of Europe's most famous (and infamous) financiers, now command good prices at antique bond and share auctions, and all collectors would like to be able to add this document to their collections. □



**EERSTE NEDERLANDSCHE  
OUDE EFFECTEN ANTIQUARIAAT**



*The First Dutch Old Stocks Antiquary*

Keizersgracht 727 1017 DX Amsterdam, Holland  
Tel.: 020/24 11 29-24 30 75 • Telex: 16396 STROE NL



# Buying or Selling

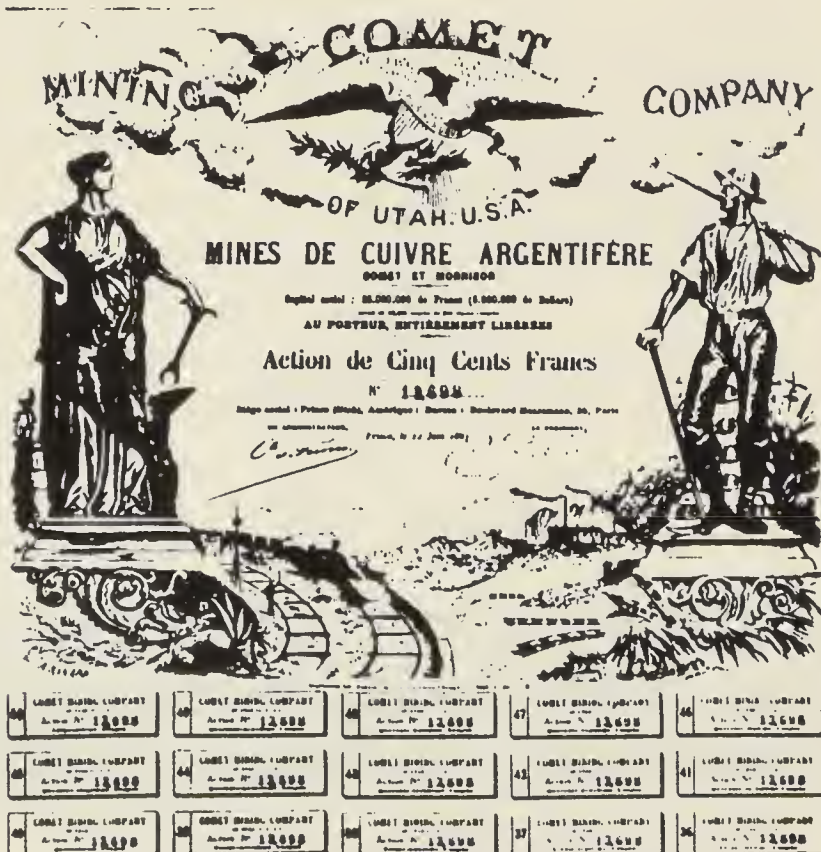
CONTACT

## Col. Grover Criswell

FT. McCOY FL 32637

**\$\$      \$\$      \$\$**

1985 is my 39th year in business. I can help you with your want lists. Approvals to parties on our regular mailing lists. Write today!! Confederate States, Obsolete & Railroad Currency, STOCKS & BONDS!



Comet Mining Co. of Utah coupon bond 1883, 12½" x 18" w/50 coupons. . . . . \$50.00  
Or three for. . . . . \$100.00



# WILLIAM CRAPO DURANT and the DEVELOPMENT of GENERAL MOTORS

## PART III

by Ira Unschild

(Part I of this article appeared in *Friends of Financial History* No. 21, Jan. 1984, and Part II in No. 22, May 1984.)

With the end of World War I in November, 1918, a tremendous pent-up demand for cars drove GM's sales to record highs in 1919. In December Raskob and Durant proposed a plan to expand GM's production capacity by acquiring several other auto makers such as Scripps Booth Car Co. They also proposed setting up General Motors Acceptance Company to help finance car sales, and the construction of a central office building. The cost of this expansion plan was estimated at \$52 million in new capital, \$24.7 million of which could be raised from retained

earnings, \$21 million from the sale of 180,000 shares of common stock at \$120, and the remaining funds from the sale of stock to DuPont.

But the expansion plan required still more capital, so GM authorized the sale of \$50 million of debentures. Only \$30 million worth was actually sold and Raskob was forced to sell DuPont another \$4.8 million of GM stock. Raskob also created a complex plan under which holders of the recently issued debentures would exchange those holdings and cash for new debentures. This plan, meant to raise \$85 million, only raised \$12.5 million, and Raskob was again forced to seek other avenues for the needed expansion capital.

He persuaded the Nobel Company, a European explosives maker, to buy \$30 million in GM stock; the Canadian Explosives Ltd, a jointly held subsidiary of the DuPont and Nobel companies, to buy \$6 million worth, and arranged the sale of 1.4 million shares for \$26 million through J.P. Morgan & Co. But in addition to financial compensation for



### JOIN

## THE BOND & SHARE SOCIETY

### American Chapter

Activities in Great Britain and the United States include:

- The promotion of scripophily—the study and collection of antique and historic bond and stock certificates.
- Three newsletters a year, with articles and useful news, including names, addresses and telephone numbers of members.
- Regular monthly meetings in New York and special events and conferences held in conjunction with conventions and fairs of allied interest in other cities.
- Regular meetings in London at which mini-auctions are held and talks given.

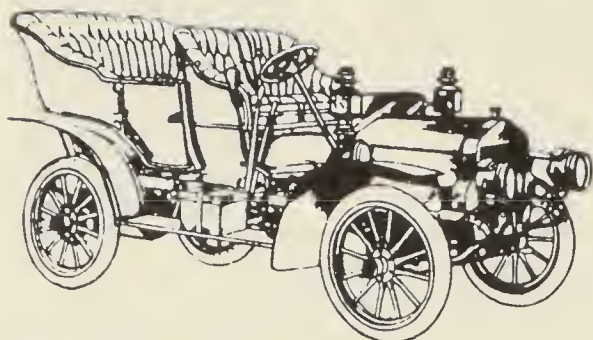
#### *In USA contact:*

Diana E. Herzog, Membership Secretary  
R.M. Smythe & Co., Inc.  
24 Broadway, New York, N.Y. 10004

#### *In United Kingdom contact:*

Brian Mills, Membership Secretary  
R.M. Smythe & Co., Ltd.  
56 The Avenue, Tadworth  
KT20 5DE Surrey

Annual dues: USA—\$15, UK—£5



*An early Durant Classic.*

underwriting this sale, Morgan got three seats on the GM board, thus further reducing Durant's control of the company.

The Nobel Company was to pay 10% of the \$30 million on June 1, 1920, and the remainder in weekly payments through December 1. In early June Raskob learned that the Nobel Company would have trouble meeting its payments, and in August Nobel President Gowan announced that the company could only buy half the stock originally agreed on. This forced Durant and Raskob to turn to temporary stock purchases by Chevrolet and Canadian Explosives Ltd to keep the company going until times improved.

At the same time Durant was presiding over GM'S financial crisis, he was also undergoing a personal financial crisis which ultimately affected the future of the company. In June 1920

Morgan, Durant and the DuPont company had formed a syndicate to support the price of GM's stock, pledging not to buy or sell GM stock for their own accounts. However, when the price of the stock began to fall, Durant bought large blocks on margin, ostensibly "to sustain GM stock so that the English interests to whom he had sold the stock at \$20 when it was at \$38 would not get cold feet and repudiate their contract." More likely, Durant was attempting to corner the market in GM stock and thus place himself firmly in control of the company again. Irrespective of his motives, however, the falling price was a matter of grave concern to Durant since he was close to being sold out.

By November 1920 GM stock had plunged to \$14 with each point drop costing Durant \$2 million. Nonetheless, at a meeting with DuPont, Raskob, and Morgan partners Dwight Morrow and George Whitney, Durant denied knowing of any "weak accounts" among major GM shareholders. The next day, however, Durant told Pierre DuPont that he was worried about his personal account, and a week later he confessed that he owed \$34 million which was secured by GM stock. As the stock continued to fall, Durant faced additional margin calls and came close to being sold out. In an attempt to save himself, Durant appealed to the stabilization syndicate, asking that it buy 1.1 million GM shares at \$13. The



**APPLEGATE AND APPLEGATE**  
**BOX 1 • ANNVILLE, PA 17003**  
**717-964-2350**

**SUPPLIERS TO THE RETAIL & WHOLESALE TRADE**  
**SINCE 1971**

We have separate listings of stocks and bonds on the following subjects: autographs, automotive, banking, general, insurance, mining and metals, petroleum, railroads, transport, and utilities.

Please request the lists that interest you.



## JOURNAL DES COLLECTIONNEURS DE TITRES ANCIENS

- Be informed about French and European Scripophily.
- Get 11 issues yearly with English summary and free classified ads
- Receive list of club members: over 300 collectors, mainly from Europe and also overseas, with the exact needs of everyone (due April, 1985).

*Annual subscription, first year, new members:*  
*Europe: 50 FF, Overseas Airmail: 80 FF*

ASSOCIATION FRANCAISE  
DES COLLECTIONNEURS DE TITRES ANCIENS  
22 Avenue Philippe le Boucher  
92200 Neuilly-sur-Seine, France  
Tel.: (1) 261.53.62

syndicate's refusal forced Durant to meet with the Morgan partners and DuPont where he outlined his financial position.

Morrow, Whitney, DuPont and Ras-kob now had to devise a method to save Durant if they wanted to prevent a panic. If Durant was sold out, the value of GM stock would be destroyed and several major banks and brokerage firms would face bankruptcy. These failures would set off a chain reaction which ultimately could result in a devastating nationwide panic.

To prevent this, the DuPont Securities Co. was created with a capitalization of \$17.5 million represented by 100,000 shares of stock. DuPont received 40,000 shares in the new company for \$7 million in cash. J.P. Morgan & Co. got 20,000 shares for arranging a \$20 million loan to the new company. Durant received the remaining 40,000 shares and DuPont Securities agreed to pay his debts. In return, Durant had to turn over to DuPont Securities 2,545,548 GM shares at \$9.50 a share. In addition, Durant was forced to resign as president of GM and thus lost not only a \$100

million fortune, but also lost forever control of the company which he had conceived and developed.

When Durant resigned on December 1, 1920, GM needed a new president who could command the respect of the banks, the investing public and the company's employees. Thus, Pierre S. DuPont was pressed into service as GM's president, a position he was not eager to accept. Needless to say, GM soon overcame its financial difficulties, becoming one of the largest and most powerful corporations in the world. William Crapo Durant, after a brief retirement, plunged back into the automobile industry, forming the Durant, Star and Flint automobile companies. While these companies were very popular with the investing public, their products could not compete successfully, and ultimately they all went bankrupt. Durant also continued to speculate in the stock market. Throughout the 1920s he was a very successful bull operator and by 1929 he had made back the fortune he had lost in GM. But he failed to foresee the stock market crash in 1929 and lost his fortune for the last time. ☐

Deadline extended for display advertising in  
**FRIENDS 1985 YEARBOOK AND DIRECTORY**  
Send your ad to R.M. Smythe by JANUARY 5, 1985



## CLASSIFIED ADS NOW FREE

We are happy to offer classified advertising space free of charge henceforth to all of our subscribers. We hope this service will grow and become increasingly useful in facilitating the flow of information and communication among fellow scripophiles. Send us now your classified ad for the next issue, which is the expanded, annual edition.

**CSA BONDS:** write to NASCA, P.O. Box 1445, Princeton, N.J. 08540 for current list.

**FOR SALE:** Rare books on Financial History, Wall St., Financiers. Ex.: Clew's 50 Years, Depew's 100 Years. Free list. Rod Klein, Box 24A06, Los Angeles CA 90024.

**BUY—SELL—TRADE** auto stocks. History included. SASE for catalogue. Fred Robinson, Box 203, Aberdeen, Mississippi 39730. Tel: (601) 369-2827

**WANTED:** All types of stocks and bonds of Memphis, Tenn. area and surrounding states including Ark., Miss., Ala., Ky., Mo. No confederates. Also want certificates representing unusual forms of financing. James M. Power, 5483 Spainwood, Memphis, TN 38119, Tel: (901) 761-1550.

**OLD BONDS WANTED,** esp. Mexican, North Carolina, Mississippi, Chinese, Russian \$ bonds, European gov't \$ bonds, Canadian & US railroads. Beck, 523 W. 121 St., NY, NY 10027.

**DEALING** in better US stocks and bonds. No lists. Phone calls or visits by serious collectors and dealers welcome. Please send us your catalogues. Paul C. Richards, Templeton, Mass. Tel: (800) 637-7711 or (617) 939-8981

**WANTED:** 1830s engraved items with nice vignettes, railroads, mines, oils, telegraphs, canals, any industry, etc. Also want nice old letterheads and billheads. Will trade, also sell. Beach—Box 5484, Bossier City, LA 71111 Tel: (318) 747-0929

**PRE-1840** British and American certificates always wanted for my personal collection. Best prices paid or I will exchange. Brian Mills, 56 The Avenue, Tadworth, Surrey, England KT20 5DE.

Books on Wells Fargo, Gould, railroads, etc. for sale. SASE for list. Stocks and bonds bought and sold. Ira Unschuld, 100-26L Benchly Pl., Bronx, NY 10475.

**CATALOGUE** plus 3 beautiful stock certificates \$2.95. **WANT TO BUY** Western stocks & bonds—especially Calif., Nevada, Colorado, Alaska & Hawaii! Ken Prag, Box 531FF Burlingame, CA 94011, Tel: (415) 566-6400.

**LOOKING** for decorative bonds/shares, old letters or invoices, preferably with Dutch or German connection. The older, the better. Lawrence Bogers, Box 19252, 3501 DG Utrecht, Holland.

### \$ SWINDLES \$

See for yourself a catalogue of the world's most ingenious swindles, stings and lost causes of the last 250 years. All available on original stocks, bonds and documents ideal for decorating, collecting and unique gifts. Money machines, \$100 million corporate disappearing acts, Peter-to-Paul cons, the South Sea bubble, water into fuel, Imperial Chinese railroad bonds, Czarist bonds, mythical kingdoms and elaborate whore house bonds are just a sampling. The catalogue, packed with history and spiced with humor, will challenge you to an eye-opening trip through history's most incredible schemes. **GET YOURS TODAY!** Inventory limited—Send \$3.00 (refundable with first order) to Antique Stocks and Bonds, Drawer JH, Williamsburg, Virginia 23187.



### ADVERTISING RATES

#### Display:

full page: 4½" x 7½"	\$75
two-thirds page: 4½" x 5"	\$60
one-half page: 4½" x 3¾"	\$50
one-third page: 4½" x 2½"	\$35

Design and typography services available at additional charge. Full payment must be sent with copy.







# Mail Auction

Deadline for receipt of bids:  
January 26, 1985

## Conditions of Sale, etc . . .

1. All items in this catalogue are guaranteed genuine. R.M. Smythe & Co., Inc. will exercise discretion in accepting material for sale and, in forming their opinion, may consult and rely upon any expert or authority considered appropriate. If any substantial defect, not described in the catalogue, is found by a purchaser who was unable to examine the lots prior to the sale, the material in question may be returned within three days of receipt.
2. Estimates of value, printed after each lot, are only approximations, and the price realized may be lower or higher. All certificates are issued, unless clearly described otherwise. An asterisk (\*) preceding the first figure in the estimate indicates the reserve for the lot.
3. You may bid by mail or telephone, as you wish. Please bid early. Bids are always used competitively; lots will be purchased at the lowest possible price. We never disclose high bids, but will give an indication of the level of bids. Bidders unknown to us are required to send a 25% deposit or suitable references.
4. All bids must be received before the published deadline. We will accept telephone bids at our office at (212) 943-1880. Prices realized will be published in the next issue of *Friends*.
5. The auctioneer reserves the right to withdraw lots at any time prior to sale.
6. A commission at the rate of 10% of the hammer price of each lot sold is payable by the buyer to R.M. Smythe & Co., Inc. This 10% charge will appear as a separate item on all auction invoices. A \$7 minimum will apply to each lot, but if lot sells for \$14 or less, the commission is \$3.
7. Unless exempt, the purchaser will be required to pay New York State Sales Tax.
8. No lots will be delivered until payment is received. Lots must be paid for and picked up at R.M. Smythe & Co., Inc., 24 Broadway, New York, or sent according to the buyer's instructions at buyer's expense, within ten days after the sale. No framed items will be shipped.
9. ATTENTION FOREIGN BIDDERS: Please remember that purchases are payable in U.S.A. funds. Our bank is the Morgan Guaranty Trust at 23 Wall Street, New York City, Account #057-56-293 for those of you who wish to wire funds.
10. The placing of a bid shall constitute acceptance of these conditions.

**R.M. Smythe & Co., Inc.** J. E. Herzog, Licensed and Bonded Auctioneer.



CITY HALL LOUISVILLE

Lot 45



WATER WORKS, LOUISVILLE

## ABBREVIATIONS USED IN THIS CATALOGUE

**CATALOGUE** references: Smythe-American Revolutionary Bonds, (Price of Liberty) Anderson, 1983; Criswell-Confederate Bonds - 1980; Drumm/Henseler; Chinese Bonds, 1976; Russian Railways, 1979; Russian Cities, 1981; Austrian Tramways, 1982, Turkish 1983; Chinese Bonds, Kuhlmann, 1983.

### CODES:

- Cb —Coupons, bound with the certificate  
Cs —Coupons, at the side; Cu — Underneath  
U —Unissued (all certificates are issued, common stock, unless specified)  
P —Preferred stock, CD — Cert. of Deposit  
RN —Revenue Stamped paper example  
+ —Philatelic interest, but if there is no description, early adhesive revenues or later N.Y. State or Federal issues.  
† —Offered for R.M. Smythe & Co. Inc.  
\* —Preceding the low figure of the estimate, indicates the consignor's reserve.

### STATES:

- |                   |                    |
|-------------------|--------------------|
| AL —Alabama       | MT —Montana        |
| AK —Alaska        | NE —Nebraska       |
| AR —Arizona       | NV —Nevada         |
| AK —Arkansas      | NH —New Hampshire  |
| CA —California    | NJ —New Jersey     |
| CO —Colorado      | NM —New Mexico     |
| CT —Connecticut   | NY —New York       |
| DE —Delaware      | NC —North Carolina |
| FL —Florida       | ND —North Dakota   |
| GA —Georgia       | OH —Ohio           |
| HI —Hawaii        | OK —Oklahoma       |
| ID —Idaho         | OR —Oregon         |
| IL —Illinois      | PA —Pennsylvania   |
| IN —Indiana       | RI —Rhode Island   |
| IA —Iowa          | SC —South Carolina |
| KS —Kansas        | SD —South Dakota   |
| KY —Kentucky      | TN —Tennessee      |
| LA —Louisiana     | TX —Texas          |
| ME —Maine         | UT —Utah           |
| MD —Maryland      | VT —Vermont        |
| MA —Massachusetts | VA —Virginia       |
| MI —Michigan      | WA —Washington     |
| MN —Minnesota     | WV —West Virginia  |
| MS —Mississippi   | WI —Wisconsin      |
| MO —Missouri      | WY —Wyoming        |

### COLORS:

- |            |            |            |
|------------|------------|------------|
| bk— Black  | gy— Grey   | ye— Yellow |
| bl— Blue   | or— Orange | li— Lilac  |
| br— Brown  | ol— Olive  | pr— Purple |
| go— Gold   | gr— Green  | rd— Red    |
| ma— Maroon | pi— Pink   |            |

### LANGUAGES:

- |              |             |              |
|--------------|-------------|--------------|
| Ar— Arabic   | En— English | Ja— Japanese |
| Ch— Chinese  | Fr— French  | Sp— Spanish  |
| Cy— Cyrillic | Gr— German  | Ru— Russian  |
| Du— Dutch    | He— Hebrew  | Tu— Turkish  |
|              | It— Italian |              |

### PRINTERS & ENGRAVERS:

- |      |                                   |
|------|-----------------------------------|
| ABN  | —American Bank Note               |
| BA   | —British American Banknote Co.    |
| BW   | —Bradbury Wilkinson & Co.         |
| CBN  | —Columbian Bank Note              |
| CON  | —Continental Bank Note Co.        |
| DTL  | —Draper, Toppan, Longacre & Co.   |
| DW   | —Danforth, Wright, Co.            |
| DWC  | —Draper, Welsh & Co.              |
| EAW  | —E. A. Wright Banknote            |
| FBN  | —Franklin Bank Note Co.           |
| FLB  | —Franklin-Lee Bank Note Co.       |
| HBN  | —Hamilton Bank Note               |
| HLB  | —Homer Lee Banknote               |
| IBN  | —International Bank Note          |
| JAL  | —John A. Lowell, Banknote         |
| NBN  | —National Bank Note Co.           |
| NYB  | —New York Bank Note Co.           |
| RWH  | —Rawdon, Wright & Hatch           |
| SBN  | —Security Bank Note Company       |
| SCB  | —Security Columbian Banknote      |
| TCC  | —Toppan, Carpenter, Casilear      |
| UBSH | —Underwood, Bald, Spencer & Hufty |
| WBN  | —Western Bank Note & Engraving    |
| WEC  | —Walker, Evans & Cogswell         |
| WS   | —Waterlow & Sons Limited          |
| WSW  | —Wellstood, Hay & Whiting         |

### CONDITION:

- |      |   |
|------|---|
| UNC  | —Uncirculated (clean and crisp, as issued)                              |
| EF   | —Extremely Fine (clean, but perhaps traces of folds, almost as issued.) |
| VF   | —Very Fine (minor folds or creases showing a little wear)               |
| F    | —Fine (very creased or worn, but still perfectly clear)                 |
| Fair | —Extremely creased and worn, an item that has seen much circulation.    |





# Friends 24 Mail Auction

Deadline for receipt of bids:  
January 26, 1985

*Lot 1*

1. OSWEGO RAILROAD BRIDGE CO. (NY)—187-. U, early train, elk. ☐ Herkimer and Mohawk Street RR (NY)—18-. U, large horse-drawn street car, passengers. ☐ Ontario Pacific Railway—188-. U. Seal of Ontario. (3) UNC \$20-30
2. WATKINS MOTOR COMPANY (NC)—1923. One share, with gold paper seal. Eagle, s/J.A. Watkins. EF \$30-50
3. CHICAGO FT. MADISON AND DES MOINES RY (IA)—1902. \$1000 NYB. Gr, bk, gold paper seal. Man observes steam engine on river bank. EF \$40-60
4. ERIE CANAL BOND (NY)—1867. \$1000. Maidens view the canal; George Washington, William Seward. ☐ (NY)—1830. \$5000. State seal, views of canal, early train, freight, cherubs. Hole cancels. (2) EF \$60-100
5. KINNER AIRPLANE AND MOTOR CORP (CA)—1933. 12 shs, open cockpit plane. EF \$25-35

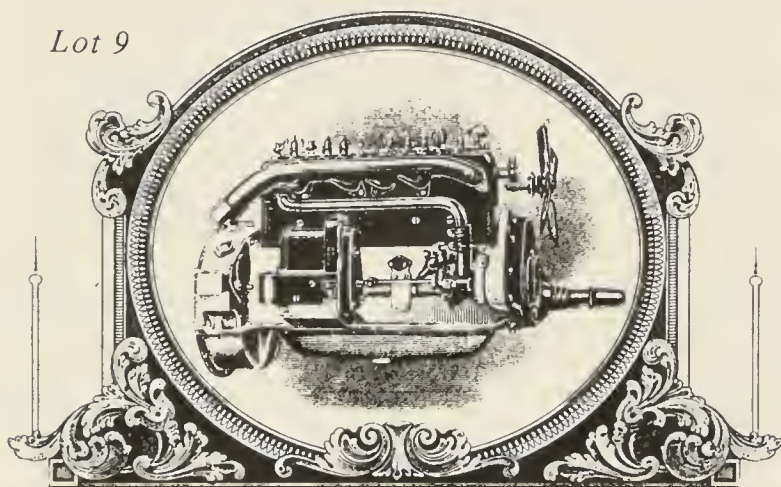


*Lot 5*

6. AMBER PETROLEUM (PA)—1865. 500 shs, men pump oil into barrels, dog on vault. Pre-OPEC item! EF \$90-120
7. BANK OF AMERICA (NY) 1853, 8. Eagle, ships and trains representing commerce. (2) ☐ Bank of Charleston (SC) 1847. 4 shs, gr, bk. State seal, Greek heads and cherub. (3) VF \$35-60

8. WILLYS OVERLAND MOTORS, INC. (DE)—1936. Warrant for shs. ☐ 1921 6 shs CD. Remember the jeep? (2) \$25-40
9. CONTINENTAL MOTORS CORPORATION (VA)—1957, 62. 100 shs, ABN, ol, gy, engine block. (2) EF \$40-55
10. FULTON MOTOR TRUCK (DE)—1917. One share, 4 shs. Gold seal; fold weakness, splits. (2) F \$30-50
11. NASH MOTORS—1929. 5, 100 (U) shs. ABN, gr, gy, bl. Two ladies, child. ☐ NASH-KELVINATOR—1937. 100 shs, bl, young lady with a spark. 1949, 31 shs, br. (4) EF-UNC \$60-75

Lot 9



Lot 12

12. GEORGIA-ALABAMA INVESTMENT AND DEVELOPMENT CO. (AL)—1891. 1 share, Buffords Lith. Boston. Br, bk. Georgia state arms. Signed as president by Benjamin Butler. VF \$XX
13. NORTH HITE & YOSEMITE GOLD MINING COMPANY (NY-CA)—1880. 100 shs, or, bk. Two mining scenes. VF \$45-75
14. CONFEDERATE STATES, CR 121—1863. \$500, soldier warming his hands over a fire. VF \$20-30

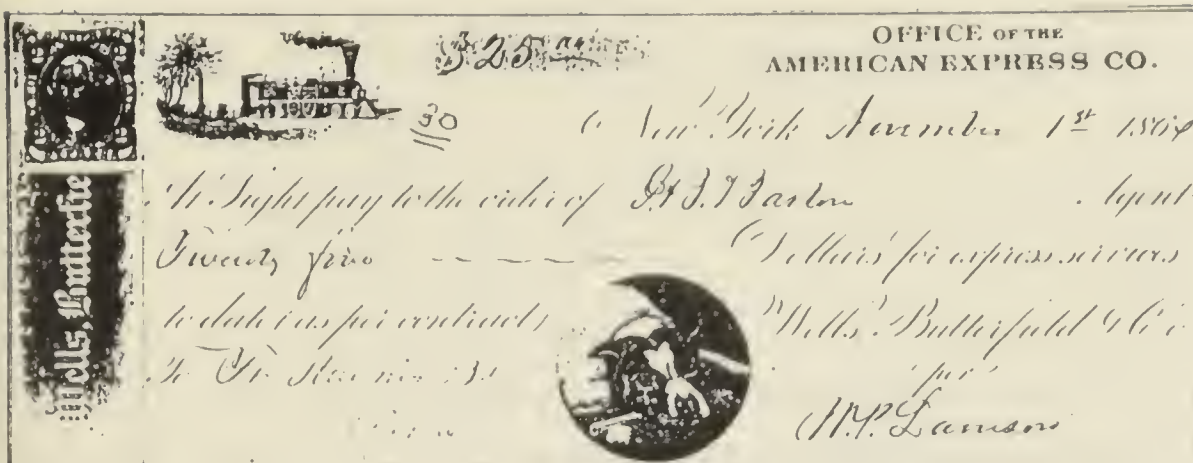
#### NEW YORK BANKNOTE

15. ENGRAVED MINING LOT: ☐ Troy Manhattan Copper Co—1902. Diamond-shaped view of Manhattan. ☐ Western Nevada Copper—1910. Borard Consolidated—1910. Views of mines. ☐ Consolidated Arizona Smelting. ☐ Nevada Utah Mines—1908. Views of smelters. (5) VF \$40-60

#### AMERICAN BANKNOTE

16. ENGRAVED MINING LOT: ☐ Amethyst Bullfrog—1906. ☐ South Utah—1916. ☐ Tin Bullion Smelting—1915, and five other beauties. (8) \$40-60





Lot 17

17. BAKER'S DOZEN VIGNETTED CHECKS. ☐ Bank of California-1871.  
☐ William B. King (DC)-1898. ☐ Southern Bank, Savannah (GA)-1874.  
☐ First National Bank of Warsaw (IND)-1875. ☐ American Express (NY)-  
1864. ☐ Hatch & Foote, Bankers (NY)-1880. And others. A fine lot. \$25-35
18. STUDEBAKER CORPORATION (NJ)-1927, 1932. ABN, blacksmith ship of  
John Studebaker. (2) VF-EF \$85-100
19. DURANT MOTORS (DC)-1923-31. ABN. Br, gr, with big "D." (10) VF-  
UNC \$100-150
20. STAR MOTORS, INC. (DE)-1923-24. 4, 35 shs re, gr. Star over city.  
(2) EF \$25-40
21. PIERCE-ARROW MOTOR CAR (NY)-1934. ABN, scrip for 40/50 share.  
Rare. UNC \$35-55
22. LOCOMOBILE COMPANY (DE)-1920s. ABN, 100 shs, gr, temporary format.  
(3) VF \$55-80
23. STEINMETZ ELECTRIC MOTOR CAR CORP. (MD)-1920-22. SBN. Assort-  
ed colors. Early electric car. (9) VF-UNC \$125-175
24. WILLYS OVERLAND (OH)-1916-1930. ABN, bl, br, ma. Company logo.  
In addition, correspondence on company letterhead and subscription right.  
(14) F-EF \$150-225
25. BALTIMORE & OHIO RR-1840s-1890s. including two signed by Thomas  
Swann. (12) F-EF \$100-150
26. COUNTY OF HARRISON (MI)-1887. \$150. 6% 20-yr bond. Cu. Re. bk.  
Train. The railroad was not completed and failed in 1892. Stamped paid.  
VF \$50-90
27. STATE OF LOUISIANA (LA)-1836. \$1000. 5% 12-yr bond. (Cr.36C).  
For the Consolidated Association of Planters which was put into liquidation in  
1842. Usual edge splits and chinks in the brittle paper. VF \$45-60

## TAR HEEL

28. STATE OF NORTH CAROLINA—1868. ABN. \$1000 gr, re, bk. Two ladies, state house in Raleigh, steam engine. (3) VF \$90-130
29. NATIONAL PROVIDENT UNION (NY)—1889. \$3000, bl, re, or, gy. Ornate certificate. Obelisk commemorating the Pilgrims' landing at Plymouth, and the Declaration of Independence, American flags, "our homes—our country." EF \$35-55
30. NATIONAL MOTOR CAR & VEHICLE (NY)—1919. HBN, 33 shs, or, gy, grill of early car with head lamps (2). Also 2 temporary certificates. (4) F-VF \$30-40
31. PENSACOLA CLUB (NY)—1904. \$10 U. Gr, gy, bk. Majestic Indian chief, gold paper seal and coupon sheet. VF \$12-22
32. CINCINNATI THEATRE CO.—1919. 10 shs, gr, aspiring actress draped in Old Glory, eagle, battleship and globe. VF \$15-20
33. THE GERMAN PRESS SOCIETY OF N.Y.—1873. 5 shs, re, gr. Fine old press and tiny seal of New York City. A fine memento of the work of German immigrants, now celebrating their tricentennial in the U.S. EF \$20-40

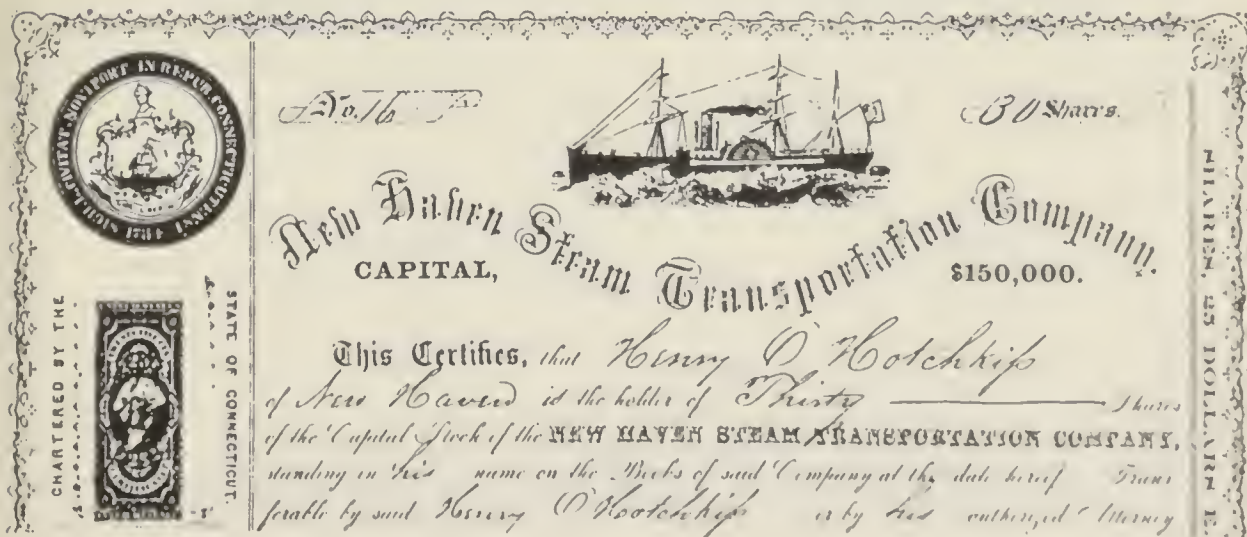


Lot 33

34. CONGREGATION KEHILATH ISRAEL (NY)—1923. \$100, gr. \$250, br. Eagle on rock. Floated to finance construction of a Bronx synagogue. Unusual. (2) VF \$35-60
35. BERLINER-JOYCE AIRCRAFT—1924. 100 shs, gr, gy. A streamlined open cockpit biplane zooming over the countryside. (3) EF \$45-60
36. UNITED STATES & BRAZIL MAIL STEAMSHIP CO. (NY)—1883. 50 shs, ship vignette. Light ageing, nice. VF \$25-40



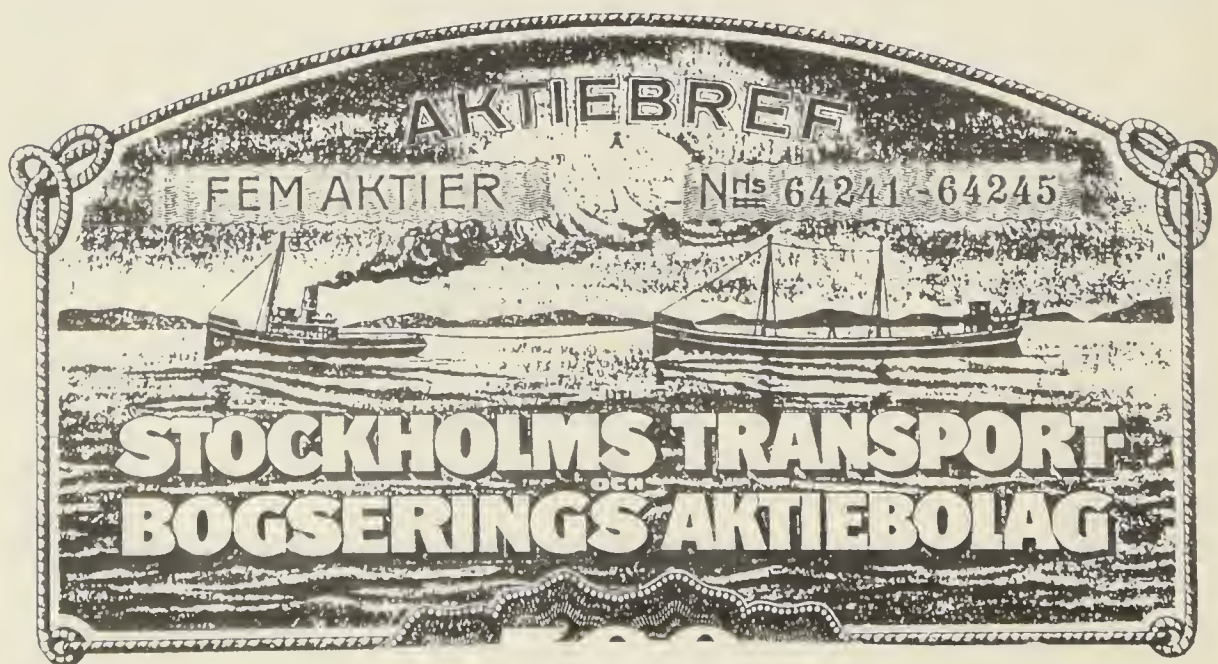
37. NIXON VENDING AND CHANGE-MAKING MACHINES, INC. (DE)—1928. 100 shs, br. While change-making machines go back to the 19th century, certificates are still unusual. VF \$15-30
38. NEW JERSEY NAVIGATION CO. (NJ)—1918. 50 shs (out of 1000 authorized). Gr, bk. Bald eagle. VF \$15-25
39. PALMER MANUFACTURING CO. (NY)—1874. 10 shs, gr, bk. Weak at folds. VF \$15-25
40. DENNOS FOOD COMPANY (OR)—1913. 1 share. Bk, go. Child sucking thumb. VF \$10-20
41. OREGON DEVELOPMENT COMPANY (OR)—1884. \$1000 bond. Gr, go, br. Train vignette. Striking! VF \$45-60
42. +NEW YORK, PENNSYLVANIA & OHIO RAILROAD (NY)—1880. \$500 (£100) bond. FBN, gr, bk. Train vignette. British tax stamp. Signed by J. H. Devereux. Complete. VF \$40-65
43. NEW YORK WATERWORKS—1775. 4 shilling note. Charming detailed diagram of early pumping apparatus. Fair-F \$25-30
44. CONNECTICUT—1781. £30, CT 20 note repayment "after the expiration of the present war, or a cessation of hostilities, between Great Britain and the United States." Large hole cancellation. VF \$30-50
45. ELIZABETH TOWN AND PADUCAH RR (KY)—1873. \$1000 gr, re. Louisville City Hall, water works, busy railroad station and produce. Please any Kentuckian. UNC \$60-75
46. NEW HAVEN STEAM TRANSPORTATION (CT)—1866. Bk, gy. Charming early steamship, state seals, and revenue stamp. VF \$60-75
47. NEW YORK WAR BONDS—assortment includes N.Y. State bounty payment to volunteers, and pieces from Essex and Rensselaer Counties, Litchfield and Yonkers. Some with revenue stamps. (7) VF-EF \$45-75



Lot 46

## ERLANGER LOAN BONDS

48. +CONFEDERATE STATES OF AMERICA (US)—1863. £200, 7% 20-yr bond. Cs. (Cr 117). One of only 1400 issued and thus the rarest of the Erlangers. Signed by Colin J. McRae, CSA Congressman, and John Sliddell, CSA Commissioner to France, one of the two key principals in the "Trent" affair and a prominent politician. One coupon damaged, petty edge tears. Back ageing. Otherwise about VF \$75-150
49. CONFEDERATE STATES OF AMERICA (US)—1863. £1000, 7% 20-yr bond. Cs. (Cr-119). Only 1500 issued. Signed as last. Heavy dark stains, especially so at top. Otherwise VF \*\$75-175
50. STATE OF NORTH CAROLINA—1862. \$1000, 8% 20-yr bond. (Cr-62L). Issued for funding state treasury notes. Split at center, taped, ageing. F-VF \*\$20-50
51. STATE OF NEW YORK—1891. \$1000 state stock. Payable to Jacob Haight, state treasurer. Numerous back transfers. Cancelled. Paper fold. VF \*\$20-50
52. MERCHANTS EXCHANGE OF ST. LOUIS, MEMBERSHIP CERTIFICATE (MO)—1884. Four vignettes, cancelled. □ (3) Lehigh Coal and Navigation Co. (PA)—1936. (4) \*\$10-35
53. STATE OF LOUISIANA (LA)—1836. \$1000 bond (CR-36C). Usual tears and tattered edges of this weak, aged paper. F-VF \*\$20-50
54. +REGIA COINTERESSATA DEI TABACCHI (Italy)—1868. 1 share (500 lire). Gr, bk. Italian tax stamp. The Italian state tobacco monopoly. Punch cancelled. EF \$20-35
55. "LLOYD SABAUDO" (Italy)—1924. 1 share, bk, pi. Stamped, bankrupt. Shipping business with flagship. EF \$25-40
56. STOCKHOLMS TRANSPORT (Sweden)—1918. 10 shs (500 kroner), defaulted in 1921. UNC \$20-35



*Lot 56*

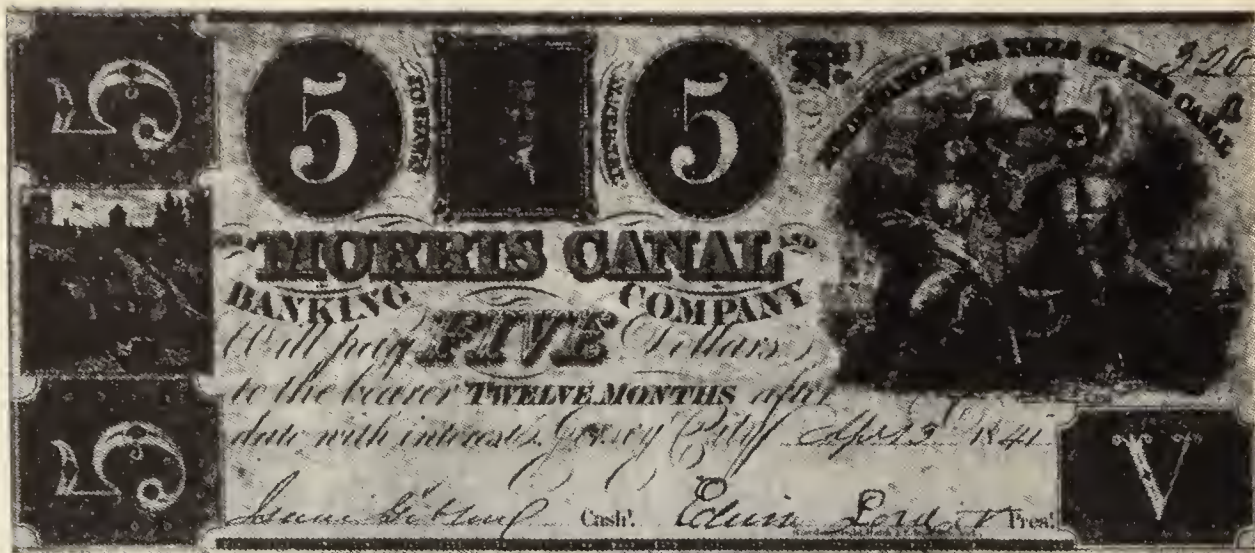




MLB BROWN PTG. & HDG. CO. NEW YORK

Lot 63

57. +MEDITERRANEAN ELECTRIC TELEGRAPH CO. (Great Britain, France, Italy)—1853. Failed in 1855. Fancy coats of arms. \$40-60
58. HUNGARIAN BONDS: from 1914 to 1918. Two varieties, beautifully decorated with peasant motifs. (56) EF-UNC \$35-70
59. AUSTRIAN BONDS: Assortment includes Vienna issues, Styrian Waterpower & Electricity; Austrian State Loan, etc. Includes many from before World War I. (128) VF-UNC \$75-150
60. INVESTOR'S LOT: Bad purchases! Bellevue Oil, oil vignette (14); Union Discount (2) with correspondence, broker's confirmation! (20-25) \$15-25
61. EUROPEAN CHECKS, DRAFTS 1814-1840. Drawn on Naples, London, Calcutta, Vienna, and nicely executed. A very fine lot, in sleeves. (10) VF \$50-150
62. SOUTH WESTERN RAILROAD BANK (SC)—18—, about 1840. Unissued sight draft, beautifully engraved by Toppan Carpenter, five nautical scenes. Weak folds, one quadrant separated. VF \$15-30
63. DEMOCRATIC NATIONAL CONVENTION 1924. Sheet of 3 unissued engraved tickets, showing Jefferson and a New York seal. The convention was held in New York, and Cordell Hull was the chairman. Who got the nomination? UNC \$35-60
64. ODD FELLOWS—1890. A certificate of attainment of Scarlett degree for Everett, Massachusetts. Lovely piece, folds. VF \$35-70
65. KIDDER, PEABODY & CO. 19—. Unused check blank on New York, with embossed English revenue stamp, printed in lovely lavender on paper watermarked "Kidder Peabody & Co., Boston, New York." Rare. UNC \$30-50
66. BANK OF MONTREAL—MEXICO. A story of how the bank issued notes for a small company in Pachuca, Mexico! Very unusual, with the note, an article, and 5 other Mexican notes. (6) \$20-35



Lot 67

67. MORRIS CANAL & BANKING CO.—1841. Notes: \$5, \$3, \$1. Two of each. Splendidly engraved by RWH. Receivable for canal tolls. Some soiling. (6) \$75-100
68. WASERLEY COMPANY (MA)—1879. Two plainly printed certificates; company incorporated in 1855. (2) \$15-25
69. COLORADO & UTAH IMPROVEMENT CO.—1890. ☐ Old Colony Steamship Co.—1894. Steamship. ☐ United Telegram Co.—1890. ☐ Pennoch Battery Electric Light & Rig Co.—1892. Nice lot! (4) \$35-50

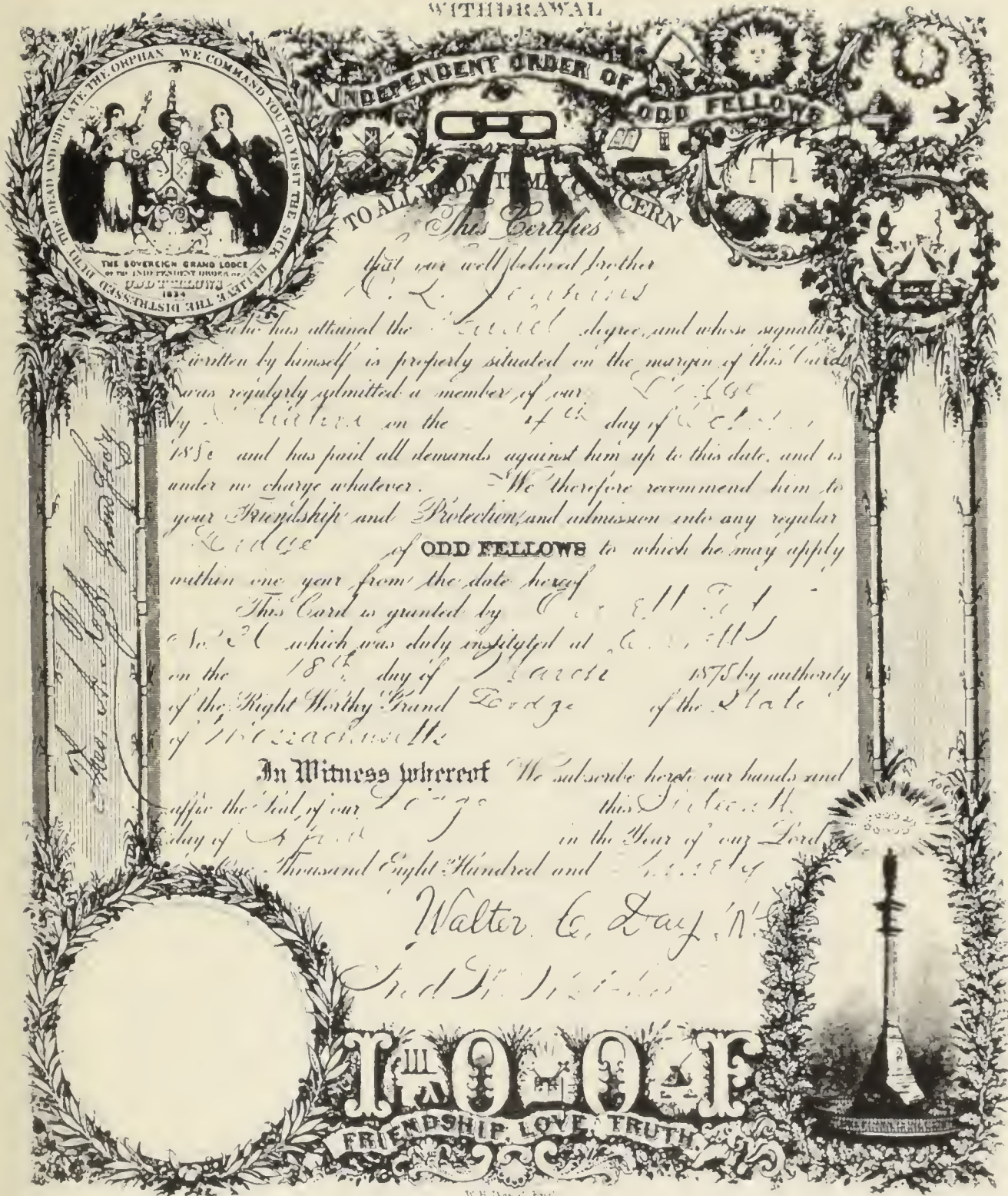
### CONCORDE!

70. CONCORDE FLIGHT CERTIFICATES. Two, signed by the Captain, Brian Walpole (General Manager of Concorde), R.J. Taylor, co-pilot, and the engineer. These certificates have not been filled in or dated, but were received during a Concorde flight. Also, memo and bumper sticker. Excellent group. (4) \$—
71. ORIENT EXPRESS. Catalogues and article describing luxury trains. Great day-dreaming material! \$—
72. VIGNETTED BILLHEADS. ☐ Philadelphia Steam Propeller Co.—1859. Large steamship. ☐ Public sales showing Covent Garden audition rooms. (2) \$20-30
73. CENTENNIAL EXHIBITION. Tickets for the exhibition, beautifully engraved, stamped "Fifty Cents." (5) \$20-35
74. PHOTOS: Toronto bus & street car series, 1889-1925. Twenty solid views! (20) \$15-25
75. LOMBARD & SOUTH STREETS RAILWAY—1881. A plain certificate, signed by Moses Dropsie, prominent Jewish figure, after whom Dropsie College was named. Unfortunately, signature has been heavily cancelled. On back, signature witnessed by William Wharton, of Wharton School fame. Staining at left. VF \$15-25

— END OF MAIL AUCTION —



WITHDRAWAL



W. H. TAYLOR, FINE

Lot 64

#### EDITORS:

John E. Herzog, Diana E. Herzog  
W.S. Roberts

#### EUROPEAN EDITOR:

Brian Mills

#### OFFICE MANAGER:

Terence Gordon

#### PRODUCTION MANAGER:

Carol Stock

#### FRIENDS OF FINANCIAL HISTORY

Copyright © 1984 by R.M. Smythe & Co., Inc., the publisher, 24 Broadway, New York, N.Y. 10004. Telephone: (212) 943-1880. All rights reserved. Permission will be granted to reprint upon written request to publisher and with proper credit to *Friends of Financial History*.

Annual subscription \$25 in U.S. and Canada. \$30 airmail Europe, U.K. Single copy \$5. Payment by NY draft in dollars or £ sterling.





Lot 72

## FULL SERVICE WORLDWIDE

ACTIVE BUYERS of quality certificates and related financial history material including autographs, rare and reference books, photographs, and prints.

AUCTIONS in New York and by mail  
APPRAISALS—CUSTOM REPORTS  
RESEARCH and SPECIALIZED SERVICES

PUBLISHER of

### *Friends of Financial History*

The Magazine for Certificate Collectors  
Comprehensive International Price List

### *Fisher Manuals of Valuable & Worthless Securities*

Volumes I through XV, 1926-1983

Volume XV contains the 1983 *Friends* annual

# R.M. Smythe & Co.

*Established 1880*

24 Broadway, New York, N.Y. 10004 Telephone (212) 943-1880  
Contact Diana Herzog or Terence Gordon

and in Great Britain:

56 The Avenue, Tadworth, Surrey KT20 5DE - Telephone (073 781) 3262  
Contact Brian Mills